NB PRIVATE EQUITY PARTNERS LIMITED

30 JUNE 2012 INTERIM FINANCIAL REPORT

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COMPANY OVERVIEW

Our investment objective is to produce attractive returns on our capital by investing in direct yielding investments, co-investments and fund investments with a focus on capital efficient strategies while managing investment risk through portfolio diversification. We pursue diversification for our private equity investments across asset class, vintage year, geography, industry and sponsor.

OUR COMPANY

NB Private Equity Partners Limited (“NBPE”)

- Guernsey closed-end investment company
- 48,901,817 Class A ordinary shares outstanding
- 10,000 Class B ordinary shares outstanding
- 32,999,999 Zero Dividend Preference (“ZDP”) shares outstanding

INVESTMENT MANAGER

NB Alternatives Advisers

- 25 years of private equity investing experience
- Investment Committee with an aggregate of approximately 170 years of experience in private equity investing
- Approximately 55 investment professionals
- Approximately 115 administrative and finance professionals
- Offices in New York, London, Dallas and Hong Kong

(USD in millions, except per share data)	**At 30 June 2012**	**At 31 December 2011**
Net Asset Value	$550.7	$544.4
Net Asset Value per Ordinary Share	$11.26	$11.03
Fund Investments	$397.7	$401.5
Direct/Co-investments	$178.8	$136.9
Total Private Equity Fair Value	$576.5	$538.4
Private Equity Investment Level [1]	105%	99%
Cash and Cash Equivalents	$49.3	$77.9

(GBP in millions, except per share data)	**At 30 June 2012**	**At 31 December 2011**
ZDP Shares	£39.6	£38.2
Net Asset Value per ZDP Share [2]	119.98p	115.83p

Note: Numbers may not sum due to rounding.
1. *Defined as total private equity fair value divided by net asset value.*
2. *Defined as the accreted value of the ZDP Shares.*

OVERVIEW OF THE INVESTMENT MANAGER

The NB Alternatives group of Neuberger Berman (the "Investment Manager") has 25 years of investing experience specializing in co-investments, private equity funds and secondary investments and has built relationships with leading private equity fund managers over that time.

The Investment Manager makes all of our investment decisions, and we have delegated to the Investment Manager the day-to-day management and operations of our business. The Investment Manager's investment decisions are made by NBPE's Investment Committee (the "Investment Committee"), which currently consists of eight members with an aggregate of approximately 170 years of experience in private equity investing. The sourcing and evaluation of our investments is conducted by the Investment Manager's team of approximately 55 investment professionals who specialize in private equity fund investments and co-investments. In addition, the Investment Manager's staff of approximately 115 administrative and finance professionals are responsible for our administrative, financial management and reporting needs. The Investment Manager currently maintains offices in New York, London, Dallas and Hong Kong.

About Neuberger Berman

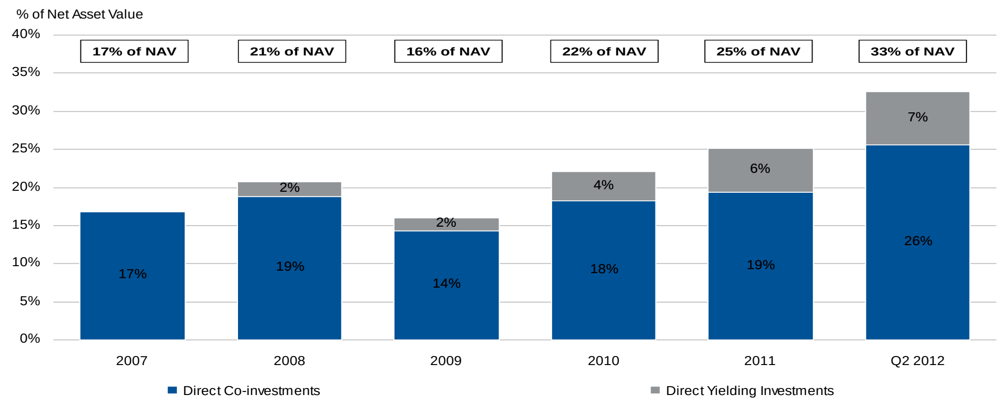
Neuberger Berman is a private, independent, employee-controlled investment manager. It partners with institutions, advisors and individuals throughout the world to customize solutions that address their needs for income, growth and capital preservation. With more than 1,700 professionals focused exclusively on asset management, it offers an investment culture of independent thinking. Founded in 1939, the company provides solutions across equities, fixed income, hedge funds and private equity, and had $194 billion in assets under management as of 30 June 2012. For more information, please visit our website at www.nb.com.

SEMI-ANNUAL OVERVIEW

Increased Allocation to Direct Private Equity and Direct Yielding Investments

We continue to target a higher allocation to direct private equity and direct yielding investments while also maintaining a well-diversified private equity fund portfolio. During the first half of 2012, NBPE participated in four new direct / co-investments, one follow-on co-investment, one direct yielding healthcare royalty investment and one direct yielding mezzanine investment.

As exhibited in the chart below, we are actively executing on our stated strategy. Even after attractive realization activity we have increased exposure to direct/co-investments and yielding investments to 33% of NAV at 30 June 2012. The percentage of NAV is based on the NAV of NBPE and will be different from the percentage of fair value shown on Page 7.



Over time, we expect this strategy to reduce the duration of our private equity portfolio, increase transparency for Shareholders, reduce our overall expense ratio and continue our policy of maintaining a conservative over-commitment level.

NBPE funded an aggregate $57.4 million (net of returns of capital) to these investments:

American Dental Partners, Inc.

In February 2012, we participated in a mid-cap buyout direct/co-investment alongside JLL Partners in American Dental Partners. The company is a provider of administrative office management services to dental practices in the United States, covering approximately 280 dental facilities and 570 dentists. The thesis is predicated on a stable and resilient dental services industry, a secular trend towards outsourcing of dental office administration services, significant opportunities to expand through de novo offices and consolidating a fragmented market, and an attractive entry valuation.

Blue Coat Systems, Inc.

In February 2012, we participated in a mid-cap buyout direct/co-investment alongside Thoma Bravo in Blue Coat Systems. Blue Coat is a technology company that provides web security and velocity acceleration products to Fortune 500 companies. The company sells its products and services globally. The thesis is predicated mainly on strong secular growth trends in technology security and network optimization, significant opportunities to drive margin expansion, and attractive valuation.

Gabriel Brothers, Inc.

In March 2012, we participated alongside A&M Capital Partners in a special situations direct/co-investment in Gabriel Brothers. The company is an off-price retailer that purchases merchandise from vendors at deep discounts due to stock over-runs, close outs or minor irregularities, and resells the product. The company has 100 stores in the mid-Atlantic and south-eastern United States and carries well-known brands. The thesis is predicated on the strong market positioning of Gabriel Brothers and the opportunity to improve operating performance and the margin profile.

SEMI-ANNUAL OVERVIEW

Avaya, Inc.

In June 2012, we participated in a follow-on direct/co-investment in Avaya, Inc., a provider of communication systems, applications and services for enterprises, including businesses, government agencies and other organizations. The acquired business is a leading provider of videoconferencing and telepresence technologies over IP and wireless networks. Through the acquisition, Avaya will have a competitive portfolio of video and unified communications solutions and the acquired business's product will benefit from Avaya's distribution network and existing customer base.

ENC Holdings / ENC Acquisition Corporation

In June 2012, we provided co-investment equity alongside AEA Investors and a direct yielding mezzanine financing to ENC Holdings / ENC Acquisition Corporation, a leading business services firm focused on supporting agents and drivers that coordinate and haul intermodal freight. The thesis is predicated on the favorable secular trend within the transportation industry towards intermodal shipping, backing an industry leading management team and an attractive risk reward profile given the businesses underlying customer diversification and earnings profile. The mezzanine note carries a 12% annual cash interest coupon, paid monthly, and a 2% PIK interest component.

Royalty Notes

In February 2012, we participated in a direct yielding investment in senior notes secured by guaranteed licensing payments generated by the sale of a next generation safety blood collection device. The notes carry a 14% annual cash interest rate with upside potential for additional interest contingent on product sales. The investment thesis is predicated on a regulatory-driven shift in market toward "safe needles" and attractive long term contract dynamics that underpin the income stream supporting the royalty.

Capital Return Policy

In October 2010, we implemented a long-term capital management policy (the "Capital Return Policy"). The Capital Return Policy is intended to provide ongoing returns of capital (in an amount equal to at least 50% of the realized net increase in net asset value ("NAV") attributable to shares from the preceding six-month period (the "Capital Return Policy Amount")) to holders of our Ordinary Shares through share repurchases, dividends or such other means as the directors consider most efficient. For the previous six month period between 30 June 2011 and 31 December 2011, the Capital Return Policy Amount was approximately $266,000 and has been fully utilized. Since inception of the Capital Return Policy, NBPE has allocated an aggregate amount of $5.7 million which when supplemented by other funding has resulted in a total return of $9.6 million by way of share purchases. In total, NBPE has utilized $24.9 million since inception to repurchase shares at a weighted average price per share of $4.69.

Between 1 January 2012 and 30 June 2012, we repurchased a total of 443,352 Class A Ordinary Shares at a weighted average price of $7.01 for a total consideration of $3,113,536 (weighted average discount to NAV of 37.7%). In total from 1 January 2011 to 30 June 2012 we repurchased 1,831,008 Class A Ordinary Shares at a weighted average price of $7.31 per Class A Ordinary Share for a total consideration of $13,407,187 (weighted average discount to NAV of 32.1%).

For the period from 1 January 2012 and ending 30 June 2012 the Capital Return Policy Amount was approximately $3.8 million. Future returns of capital under the Capital Return Policy will be announced at the time of reporting our financial results for each respective six-month period. Returns of capital may be achieved by way of Share repurchases, dividends or such other means as the Directors consider most efficient.

The Board of Directors has approved an extension of the share buyback program from 31 August 2012 to 30 November 2012; the documentation for such extension is currently in process.

MARKET COMMENTARY

The second quarter experienced a return to volatility as heightened concerns over the European sovereign debt crisis and an aura of pessimism around the pace of global economic growth have reverberated through financial markets. The year began on a positive note, but in the second quarter, risk aversion was more prevalent both in the United States as well as in developed international and emerging markets. Key issues revolve around Greece's recent election and the question over its continued membership in the European Monetary Union, Spain's undercapitalized banking system, and the contagion risk in Europe.[1]

Private equity activity has continued to increase following the global financial crisis of 2008/2009 as the global economic recovery continues. Overall, both in the United States and in Europe, buyout transaction volume is much closer to the long term historical average, as are transactions.[2]

Transactions in the current market environment exhibit more reasonable valuations (in many instances, calculated off of still depressed and higher quality earnings) than in the years prior to the financial crisis. There are significant differences in valuation based on deal size, with more attractive purchase valuations for small and middle market buyouts, both in the U.S. and Europe. In addition, valuations of private equity transactions overall appear to continue to be lower than valuations in the public markets, as measured by broad market indices such as the Russell 2000, which had an average implied EV/EBITDA multiple for its component companies in excess of 10.0x.[3] This should not come as a surprise, given private equity buyouts are generally highly negotiated and more opportunistic investments.

Continued uncertainty in global macroeconomic conditions and equity markets' varied performance in the second quarter, with both the S&P 500 and Euronext experiencing swings, have aided in decreasing purchase prices. In our view, United States and European buyout managers will be able to take advantage of the volatility in the equity and debt markets to complete attractive transactions. Broadly speaking, the operating performance of companies has improved, and we believe this will continue to drive an increase in new transaction volume.

Small and middle market companies generally present more operating and strategic initiatives than large cap businesses and thus can be less dependent on macroeconomic growth to drive returns. Therefore we believe that the lower and middle end of the market presents a more interesting opportunity set over the medium term. Distressed managers will continue to see highly attractive opportunities as a record level of debt comes due over the next several years and they are able to build positions enabling influence or control over restructurings in those companies that cannot successfully refinance. We intend to capitalize on these opportunities by utilizing our proven co-investment platform and our capital resources to pursue attractive direct investments for NBPE's portfolio, while continuing to maintain a well-diversified fund portfolio.

While credit is available for certain companies and transactions, not all companies are able to obtain debt financing. This is leading to interesting opportunities to invest in private credit which generates attractive rates of return relative to our view of their risk. We believe this will lead to strong deal flow in direct yielding investments over the next several years in traditional corporate sectors. In addition, there are interesting opportunities in the healthcare sector in yielding securities backed by the sales of treatments and medical devices. Many companies in this sector lack the ability to obtain traditional sources of financing, yet have strong products or treatments. Income streams from these yielding investments have the added characteristic of generally being less correlated to the overall economy. Dislocation persists in both of these sectors as well as other areas of the market and during shifts in market sentiment.

We continue to believe that our private equity portfolio is well positioned to generate attractive returns over the long term and we believe that we are in a strong position to take advantage of high-quality investment opportunities.

1. *Neuberger Berman Asset Allocation Committee Outlook, Q3 2012.*
2. *S&P Q2 2012 Leveraged Buyout Quarterly Review for U.S. and European transaction.*
3. *Capital IQ Website.*

INVESTMENT RESULTS

As of 30 June 2012, NBPE's unaudited NAV per Share was $11.26, representing a 2.1% increase compared to the audited NAV per Share of $11.03 at 31 December 2011. Excluding new investments, on a cash-flow adjusted basis, our fair value increase was up 3.9% since 31 December 2011. Our direct / co-investment portfolio increased from the write-up of a direct yielding investment, offset by write-downs in certain private and public investments. Our direct fund investments saw a net increase of 6.3%, reflecting the more mature nature of these portfolios. Fund investment net increases were driven by fund commitments to Platinum Equity II and OCM Opportunities VIIb.

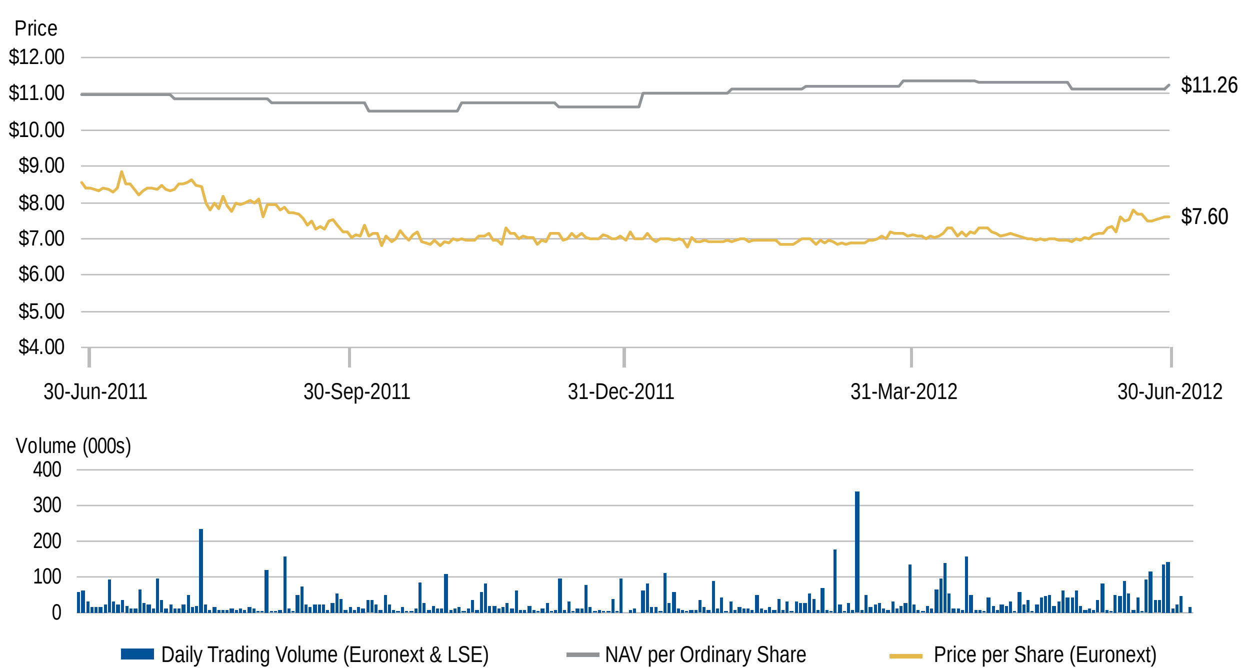
During the first six months of 2012, our private equity portfolio generated realized gains of $17.1 million. The portfolio also had net unrealized gains of $0.5 million from private investments, credit-related fund investments and public equity securities. Investment performance during the first six months was offset by $8.0 million of net operating expenses. Share repurchases were accretive to NAV per Share by approximately $0.04.

During the first six months of 2012, we invested approximately $76.7 million into private equity assets through capital calls and direct / co-investments. Capital was invested: 8% in buyout funds, 53% in buyout direct / co-investments, 3% in special situations funds, 20% in direct yielding investments, 11% in special situations direct / co-investments and 5% in growth / venture funds.

During the first six months of 2012, we received approximately $59.7 million of distributions and returns of capital. Distributions and returns of capital were received: 25% from buyout funds, 17% from buyout direct / co-investments, 27% from special situations funds, 18% from direct yielding investments, 11% from growth / venture funds and 2% from secondary purchases.

The largest distributions during the first six months of 2012 were attributable to the sale of a direct yielding / co-investment in the second lien debt and equity of SonicWall, Inc., investment proceeds from OCM Opportunities VIIb, Platinum Equity II, OCM Principal Opportunities Fund IV, NB Crossroads Fund XVII and Fund XVIII, and returns of capital from co-investments in which NBPE participated.

LTM SHARE PRICE PERFORMANCE AND NAV PER ORDINARY SHARE



Sources: NYSE Euronext and Bloomberg. Past performance is not indicative of future results.
Note: Daily Trading Volume includes combined volume of ordinary shares traded on NYSE Euronext and London Stock Exchange as well as over-the-counter trades reported via Markit BOAT.

INVESTMENT PORTFOLIO ACTIVITY

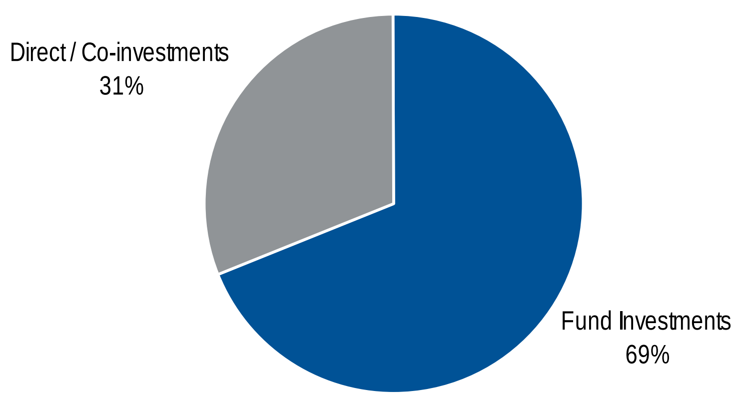
As of 30 June 2012, our private equity investment portfolio consisted of 39 fund investments and 36 direct / co-investments. The fair value of our private equity portfolio was $576.5 million, and the total exposure, including unfunded commitments, was $881.1 million.

PRIVATE EQUITY INVESTMENT PORTFOLIO – 30 JUNE 2012

($ in millions)

	Number of Investments	Fair Value	Unfunded Commitments	Total Exposure
Fund Investments	39	$397.7	$96.1	$493.9
Direct / Co-investments	36	178.8	208.4	387.2
Total Private Equity Investments	**75**	**$576.5**	**$304.5**	**$881.1**

PORTFOLIO ALLOCATION BASED ON FAIR VALUE



Note: Numbers may not sum due to rounding.

INVESTMENT PORTFOLIO ACTIVITY

Funding and Contribution Activity

During the first six months, we participated in the following direct/co-investments, funding an aggregate $57.4[1] million. Approximately $43.0 million and $14.4 million[1] were funded into direct/co-investments and direct yielding investments, respectively, across the following investments:

- Large-cap buyout follow-on direct/co-investment in Avaya, Inc.
- Mid-cap buyout direct/co-investment in American Dental Partners, Inc.
- Mid-cap buyout direct/co-investment in Blue Coat Systems, Inc.
- Mid-cap buyout direct/co-investment in ENC Holding Corporation
- Special situations direct/co-investment in Gabriel Brothers, Inc.
- Direct yielding investment in royalty backed notes collateralized by the sale of medication delivery and blood collection products
- Direct yielding investment in ENC Acquisition Corporation

Within the Fund portfolio, capital call activity has meaningfully decreased as many funds are near completing or have completed their investment periods and are focusing on enhancing value within their portfolios and subsequently monetizing that value. During the first six months, approximately $12.5 million was contributed to underlying funds. The capital calls during the quarter reduced the unfunded component of Fund commitments to $96.1 million which leaves the fund portfolio approximately 82% called.

Sales Proceeds, Cash Interest and Distribution Activity

The investments in our private equity portfolio generated total distribution of $59.7 million during the first six months of 2012.

In total, all liquidity events in the direct/co-investment portfolio over the first six months generated proceeds of $20.8 million and were from:

- $10.1 million of sale proceeds from SonicWall, Inc. Second-Lien Debt and Equity
- $2.7 million in principal and interest received from direct yielding investments
- $1.9 million cash dividend, escrow, and interest income earned from Dresser Holdings, Inc., TPF Genco Holdings, LLC, Edgen Group, Inc., and GazTransport & Technigaz S.A.S.
- $6.1 million returns of capital

There was meaningful distribution activity within our Fund portfolio as well during the first six months, with aggregate distributions totaling $38.9 million. Distributions were driven by sales of public securities held by underlying sponsors and investment proceeds from distressed funds. Within our direct fund portfolio, approximately 76 companies completed liquidity events (sales and recapitalizations) that led to a distribution.

The five largest distributions totaled approximately $23.0 million and were attributable to the sale of the second lien debt and equity of SonicWall, Inc., the sale of EDI Holdings, a portfolio company in Bertram Growth Capital I and Bertram Growth Capital II, to Nordson (NASDAQ: NDSN), as well as portfolio proceeds from OCM Opportunities Fund VIIb, and returns of capital from co-investments in which NBPE participated.

1. Net of returns of capital.

INVESTMENT PORTFOLIO ACTIVITY

Within NB Crossroads Fund XVII and Fund XVIII, over 233 underlying companies completed liquidity events during the first six months, leading to $7.0 million of distributions to NBPE.

Notable Liquidity Events Potentially Leading to Realization Activity

In addition, 21 portfolio companies completed initial public offerings (“IPOs”) during the first six months of 2012. These companies had an aggregate fair value of approximately $10.5 million as of 30 June 2012, with the largest and most significant IPOs attributable to:

- Edgen Group, Inc., a direct/co-investment and portfolio company of Jefferies Capital Partners IV
- Facebook, Inc., a portfolio company of NB Crossroads Fund XVII and NB Crossroads Fund XVIII
- Tumi Holdings Inc., a portfolio company of Doughty Hanson & Co IV Limited Partnership Number 4 and NB Crossroads Fund XVII
- Ziggo NV, a portfolio company of NB Crossroads Fund XVII and NB Crossroads Fund XVIII

INVESTMENT PORTFOLIO ACTIVITY

The aggregate portfolio and investment activity for the six months ended 30 June 2012 was as follows:

($ in millions)	**Fund Investments**	**Direct/Co-investments**	**Total**
Investments Funded	$12.5	$64.2	$76.7
Distributions Received	$38.9	$20.8	$59.7
Net Realized Gains (Losses)	$15.4	$1.7	$17.1
Change in Net Unrealized Appreciation (Depreciation)	$7.2	($6.7)	$0.5
New Direct/Co-investments	-	6	6
Amount Funded[1]			$57.4

1. Net of returns of capital.

INVESTMENT STRATEGY AND CAPITAL DEPLOYMENT

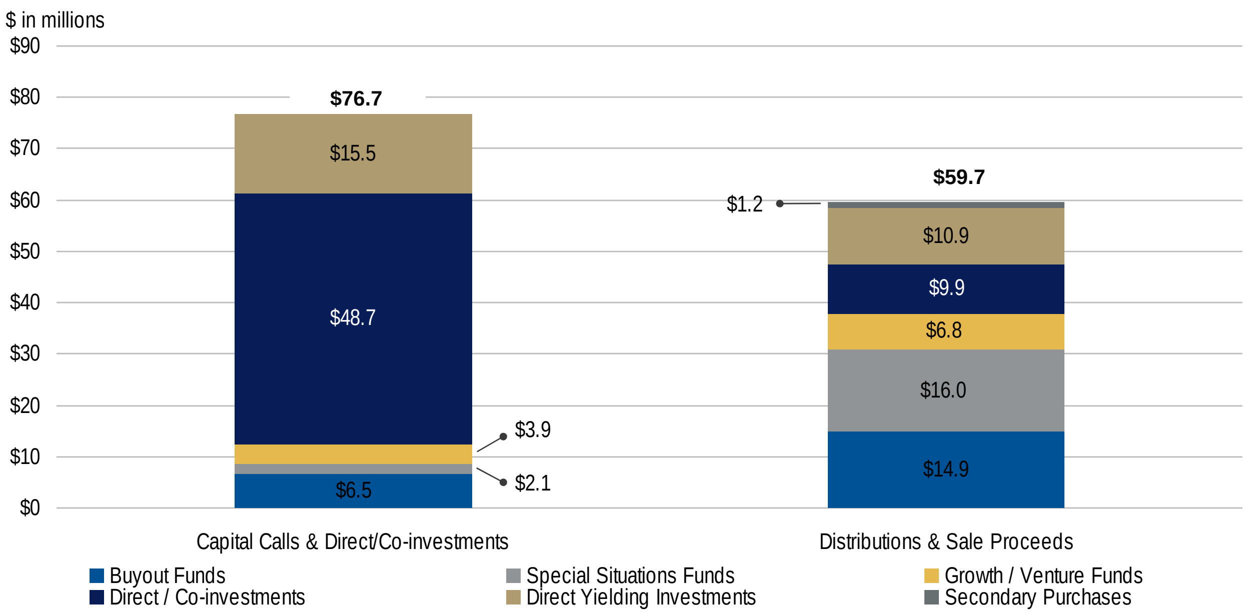
We seek to generate attractive risk-adjusted returns by increasing our net asset value over the long term and returning capital to shareholders in accordance with our long-term Capital Return Policy. We have allocated a meaningful portion of our portfolio to direct/co-investments and direct yielding investments. Over the past six months, our direct/co-investment exposure has increased from 25% of fair value as of 31 December 2011 to 31% of fair value as of 30 June 2012. This allocation will continue to increase over the next several quarters. We expect the majority of the portfolio to be deployed in direct/co-investments and direct yielding investments within two years. Within the direct portfolio, we are currently targeting an allocation of approximately 60% direct/co-investments and 40% direct yielding investments, subject to an available set of opportunities.

Within our direct/co-investment portfolio, we expect a meaningful allocation to direct yielding investments as a means to generate portfolio income at attractive yields. During the first six months of 2012, NPBE generated cash and PIK interest of $2.7 million from this portfolio. We hope that as our exposure to these yielding investments increases, NBPE would have the ability to pay a predictable dividend out of income.

During 2012, our private equity portfolio generated net cash outflow of $17.0 million as we used cash distributions to fund new investment activity. We continue to see meaningful cash distributions from our mature distressed and buyout funds. Many special situations fund portfolios are beginning to monetize investments in credit securities. We expect the more mature investments to become increasingly cash generative over the next several quarters.

We will continue to deploy this cash into direct yielding investments and through royalties, royalty backed notes and junior financings in the healthcare sector and through mezzanine and other credit investments in other traditional corporate sectors. We will also continue to make equity co-investments in attractive opportunities alongside leading sponsors in their core areas of expertise subject to an available set of opportunities. In addition, we may make primary commitments to seasoned fund managers and other yielding investments on an opportunistic basis, with a particular focus on capital efficient investment strategies.

YTD 2012 CAPITAL DEPLOYMENT & DISTRIBUTIONS

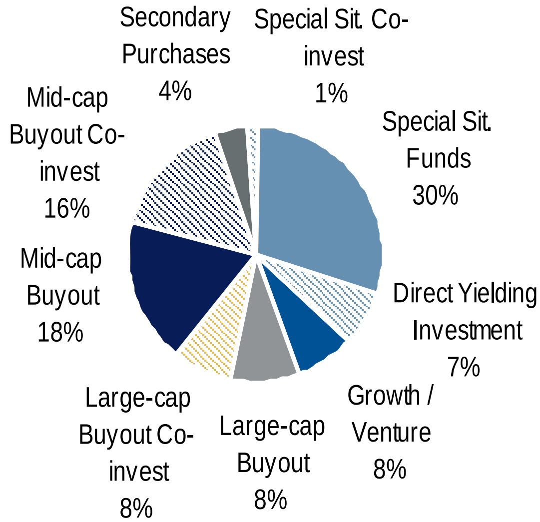


Note: As of 30 June 2012. Past performance is not indicative of future results. Numbers may not sum due to rounding.

DIVERSIFICATION BY ASSET CLASS AND INVESTMENT TYPE

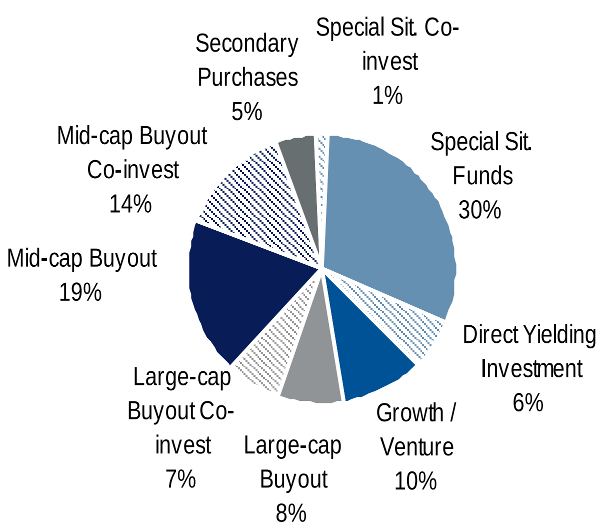
Consistent with our investment objective, we strive to manage investment risk through appropriate diversification within our private equity portfolio. The graphs below illustrate the breakdown of our private equity portfolio by asset class and investment type based on fair value, total exposure and unfunded commitments as of 30 June 2012.

DIVERSIFICATION BY ASSET CLASS AND INVESTMENT TYPE BASED ON FAIR VALUE [1]

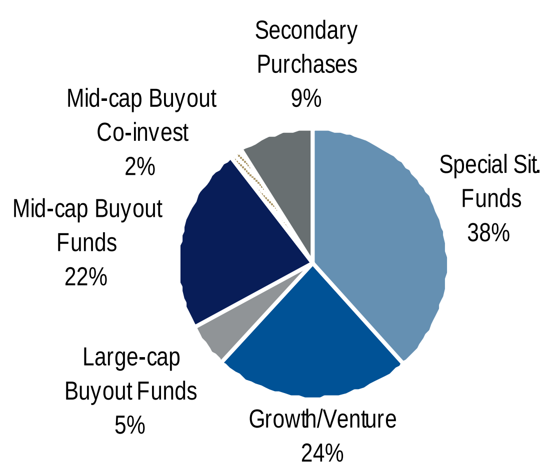


DIVERSIFICATION BY ASSET CLASS AND INVESTMENT TYPE [1]

By Total Exposure[2]



By Unfunded Commitment[2]



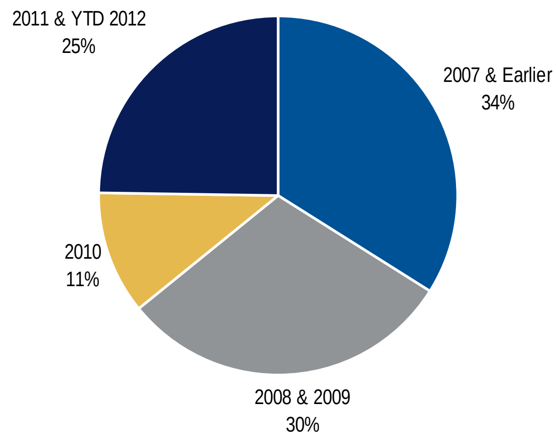
1. *The diversification analysis by asset class and investment type is based on the fair value of underlying fund investments and direct/co-investments. Determinations regarding asset class and investment type represent the Investment Manager's estimates. Accordingly, the actual diversification of our investment portfolio and the diversification of our investment portfolio on an ongoing basis may vary from the foregoing information.*

2. *For the NB Alternatives Direct Co-investment Program and the NB Healthcare Credit Investment Program commitments, total exposure only reflects the funded investments to date. Unfunded amounts and unfunded percentages within each of these programs are excluded from the analysis, as capital deployment is opportunistic and cannot be accurately forecast at this time.*

DIVERSIFICATION BY YEAR OF INVESTMENT [1]

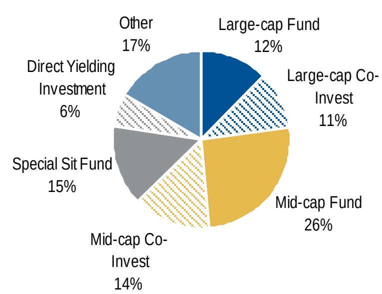
The graphs below illustrate the diversification of our private equity portfolio by year of investment based on fair value as of 30 June 2012. Year of investment is calculated at the portfolio company level and is defined as the date of capital deployment into a particular underlying investment. This differs from the diversification by vintage year on page 15 as vintage year shows when a fund was formed rather than when the capital was deployed. As illustrated below, approximately 66% of fair value at 30 June 2012 was attributable to investments made during 2008 through 2012. Approximately 61% of capital invested in 2011 and 2012 has been invested in direct yielding investments and direct/co-investments as NBPE continues to execute on its strategy to increase allocations to attractive opportunities within each of these asset classes.

DIVERSIFICATION BY YEAR OF INVESTMENT BASED ON FAIR VALUE

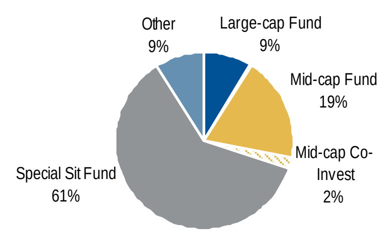


YEAR OF INVESTMENT: DIVERSIFICATION BY ASSET CLASS BASED ON FAIR VALUE

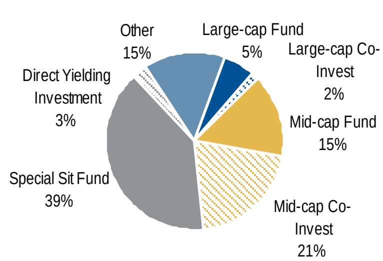
2007 & EARLIER (34%)



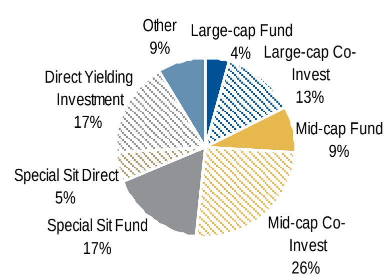
2008 & 2009 (30%)



2010 (11%)



2011 & YTD 2012 (25%)



Note: "Other" includes NB Crossroads Fund XVII and Growth / Venture.

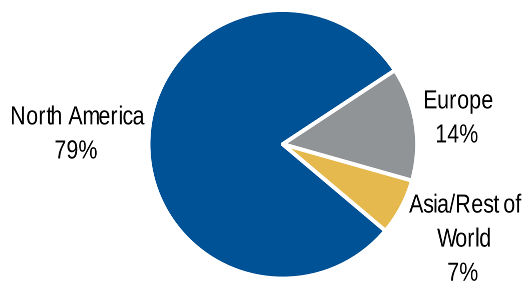
1. *Based on private equity fair value as of 30 June 2012.*

DIVERSIFICATION BY GEOGRAPHY AND INDUSTRY

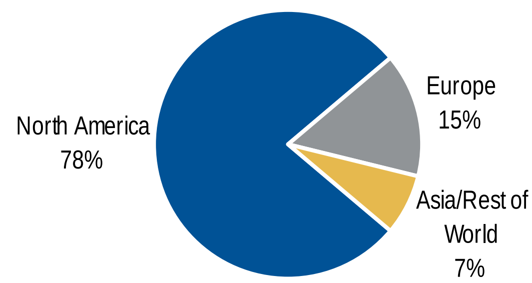
The graphs below illustrate the diversification of our private equity portfolio by geography and industry based on fair value and total exposure as of 30 June 2012.

GEOGRAPHIC DIVERSIFICATION[1]

By Fair Value

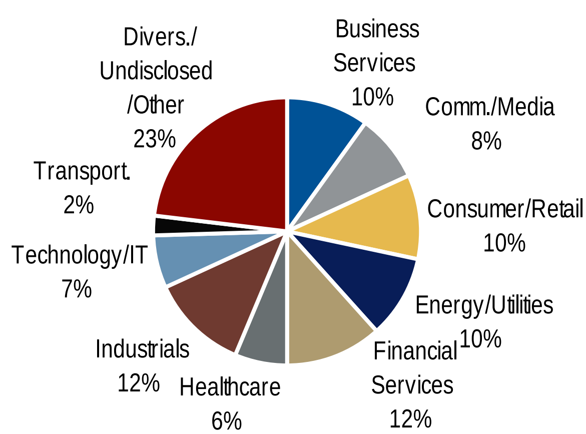


By Total Exposure

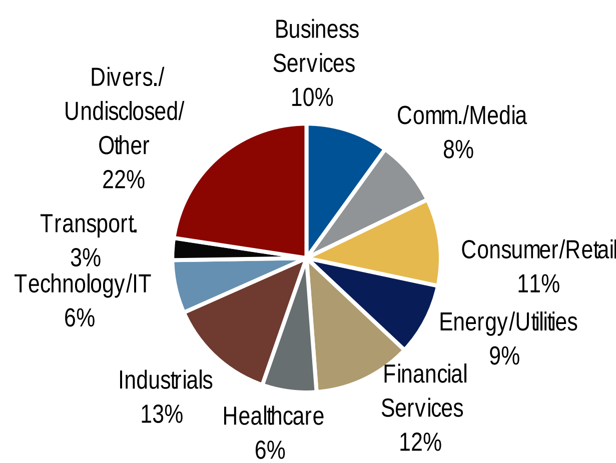


INDUSTRY DIVERSIFICATION[1]

By Fair Value



By Total Exposure



1. *The diversification analysis by geography and industry is based on the diversification of underlying portfolio company investments at fair value. Determinations regarding geography and industry also represent the Investment Manager's estimates. Accordingly, the actual diversification of our investment portfolio and the diversification of our investment portfolio on an ongoing basis may vary from the foregoing information. During the quarter, a particular co-investment geography was re-classified.*

DIVERSIFICATION BY VINTAGE YEAR

The table below outlines the diversification of our private equity portfolio by vintage year and investment type based on fair value as of 30 June 2012. For the purposes of this analysis, and throughout this Interim Financial Report, vintage year is defined as the date of the first portfolio investment made by a private equity fund or the date of a direct/co-investment. This diversification by vintage year should be distinguished from the diversification by year of investment, which is shown on page 13.

DIVERSIFICATION BY VINTAGE YEAR AND INVESTMENT TYPE BASED ON FAIR VALUE [1]

($ in millions)	Vintage Year									
	<=2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Special Sit. Funds	0.1	1.8	17.0	81.9	52.1	18.1	0.6	-	-	$ 171.6
Special Sit. Co-invest	-	-	-	-	-	-	-	-	8.1	8.1
Direct Yielding Co-invest	-	-	-	-	11.9	-	1.8	12.0	14.6	40.3
Mid-cap Buyout Funds	7.8	12.0	52.4	28.7	3.7	-	-	-	-	104.6
Mid-cap Buyout & Growth Co-invest	-	0.6	9.2	27.6	4.9	-	11.4	4.4	33.9	92.0
Large-cap Buyout Funds	11.2	2.8	31.4	3.1	-	-	-	-	-	48.5
Large-cap Buyout Co-invest	-	-	3.4	20.0	-	0.1	1.2	19.8	0.4	45.0
Growth / Venture Funds	2.4	5.3	11.8	14.1	1.2	-	7.8	-	-	42.6
Secondary Purchases	0.3	0.5	1.1	4.6	0.3	7.7	2.2	7.1	-	23.8
Total	$21.9	$22.9	$126.3	$180.0	$74.1	$25.9	$25.0	$43.4	$57.1	$576.5

(% of Fair Value)	Vintage Year									
	<=2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Special Sit. Funds	0.0%	0.3%	2.9%	14.2%	9.0%	3.1%	0.1%	-	-	29.8%
Special Sit. Co-invest	-	-	-	-	0.0%	-	0.0%	0.0%	1.4%	1.4%
Direct Yielding Co-invest	-	-	-	-	2.1%	-	0.3%	2.1%	2.5%	7.0%
Mid-cap Buyout Funds	1.4%	2.1%	9.1%	5.0%	0.6%	-	-	-	-	18.1%
Mid-cap Buyout & Growth Co-invest	-	0.1%	1.6%	4.8%	0.9%	-	2.0%	0.8%	5.9%	16.0%
Large-cap Buyout Funds	1.9%	0.5%	5.5%	0.5%	-	-	-	-	-	8.4%
Large-cap Buyout Co-invest	-	-	0.6%	3.5%	-	0.0%	0.2%	3.4%	0.1%	7.8%
Growth / Venture Funds	0.4%	0.9%	2.1%	2.5%	0.2%	-	1.4%	-	-	7.4%
Secondary Purchases	0.1%	0.1%	0.2%	0.8%	0.0%	1.3%	0.4%	1.2%	0.0%	4.1%
Total	3.8%	4.0%	21.9%	31.2%	12.9%	4.5%	4.3%	7.5%	9.9%	100.0%

1. *Totals may not sum due to rounding.*

PRIVATE EQUITY INVESTMENT PORTFOLIO [1]

The following is a list of our private equity fund investments as of 30 June 2012.

($ in millions) Fund Investments	Principal Geography	Vintage Year	Fair Value	Unfunded Commit.	Total Exposure
Special Situations					
Catalyst Fund III	Canada	2009	$ 6.6	$ 8.1	$ 14.7
Centerbridge Credit Partners	U.S.	2008	33.7	-	33.7
CVI Global Value Fund	Global	2006	12.4	0.8	13.1
OCM Opportunities Fund VIIb	U.S.	2008	18.4	3.0	21.4
Oaktree Opportunities Fund VIII	U.S.	2009	11.2	-	11.2
Platinum Equity Capital Partners II	U.S.	2007	18.4	3.7	22.1
Prospect Harbor Credit Partners	U.S.	2007	14.1	-	14.1
Sankaty Credit Opportunities III	U.S.	2007	27.1	-	27.1
Strategic Value Special Situations Fund	Global	2010	0.6	0.1	0.7
Strategic Value Global Opportunities Fund I-A	Global	2010	1.3	0.1	1.4
Sun Capital Partners V	U.S.	2007	6.9	3.8	10.7
Wayzata Opportunities Fund II	U.S.	2007	12.5	16.5	29.0
Wayzata Opportunities Fund II (Secondary)	U.S.	2011	7.1	4.4	11.6
Mid-cap Buyout					
American Capital Equity II	U.S.	2007	4.3	1.4	5.7
Aquiline Financial Services Fund	U.S.	2005	5.3	0.1	5.3
ArcLight Energy Partners Fund IV	U.S.	2007	5.5	5.4	11.0
Avista Capital Partners	U.S.	2006	11.4	1.3	12.7
Clessidra Capital Partners	Europe	2004	2.5	0.2	2.7
Corsair III Financial Services Capital Partners	Global	2007	7.1	1.6	8.7
Highstar Capital II	U.S.	2004	3.5	0.1	3.6
Investitori Associati III	Europe	2000	1.2	0.3	1.5
Lightyear Fund II	U.S.	2006	10.5	0.7	11.2
OCM Principal Opportunities Fund IV	U.S.	2006	18.4	2.0	20.4
Trident IV	U.S.	2007	5.0	0.8	5.8
Large-cap Buyout					
Carlyle Europe Partners II	Europe	2003	4.4	0.7	5.1
Doughty Hanson & Co IV	Europe	2003	5.3	0.2	5.5
First Reserve Fund XI	U.S.	2006	19.3	1.5	20.8
J.C. Flowers II	Global	2006	2.3	0.3	2.5
Growth Equity					
Bertram Growth Capital I	U.S.	2007	10.7	2.0	12.6
Bertram Growth Capital II	U.S.	2010	1.5	7.1	8.7
DBAG Expansion Capital Fund	Europe	2011	-	5.9	5.9
NG Capital Partners	Peru	2010	3.6	2.4	6.1
Summit Partners Europe Private Equity Fund	Europe	2010	2.6	3.1	5.7
Fund of Funds Investments					
NB Crossroads Fund XVII	U.S.	2002-06	34.8	3.3	38.1
NB Crossroads Fund XVIII Large-cap Buyout	Global	2005-10	11.3	2.5	13.8
NB Crossroads Fund XVIII Mid-cap Buyout	Global	2005-10	30.7	7.5	38.2
NB Crossroads Fund XVIII Special Situations	Global	2005-10	8.8	1.3	10.1
NB Crossroads Fund XVIII Venture Capital	U.S.	2005-10	9.9	1.8	11.7
NB Fund of Funds Secondary 2009	Global	2009-10	7.6	2.1	9.7
Total Fund Investments			**$397.7**	**$96.1**	**$493.9**

1. *Totals may not sum due to rounding.*

PRIVATE EQUITY INVESTMENT PORTFOLIO [1]

The following is a list of our direct/co-investments as of 30 June 2012.

($ in millions) Direct / Co-investments [2]	Principal Geography	Vintage Year	Fair Value	Unfunded Commit.	Total Exposure
Mid-cap Buyout, Special Situations, and Growth Equity					
American Dental Partners, Inc.	U.S.	2012			
Blue Coat Systems, Inc.	U.S.	2012			
Edgen Group, Inc.	U.S.	2007			
ENC Holding Corporation	U.S.	2012			
Fairmount Minerals, Ltd.	U.S.	2010			
Firth Rixson, plc	Europe	2007-09			
Gabriel Brothers, Inc. [3]	U.S.	2012			
GazTransport & Technigaz S.A.S.	Europe	2008			
Group Ark Insurance Holdings Limited	Global	2007			
Kyobo Life Insurance Co., Ltd.	Asia	2007			
Pepcom GmbH	Europe	2011			
Press Ganey Associates, Inc.	U.S.	2008			
Salient Federal Solutions, LLC	U.S.	2010			
Seventh Generation, Inc. [4]	U.S.	2008			
SonicWall, Inc.	U.S.	2010			
Swissport International AG	Europe	2011			
The SI Organization, Inc.	U.S.	2010			
TPF Genco Holdings, LLC	U.S.	2006			
			94.6	**1.5**	**96.1**
Large-cap Buyout					
Avaya, Inc.	U.S.	2007-12			
CommScope, Inc.	U.S.	2011			
Capsugel, Inc.	U.S.	2011			
RAC Limited	Europe	2011			
Energy Future Holdings Corp.	U.S.	2007			
First Data Corporation	U.S.	2007			
Freescale Semiconductor, Inc.	U.S.	2006			
J.Crew Group, Inc.	U.S.	2011			
Sabre Holdings Corporation	U.S.	2007			
Syniverse Technologies, Inc.	U.S.	2011			
Univar Inc.	Global	2010			
			43.9	**0.0**	**43.9**
Direct Yielding Investments					
ENC Acquisition Corporation	U.S.	2012			
Firth Rixson, plc (Mezzanine Debt)	Europe	2008			
Firth Rixson, plc (PIK Notes)	Europe	2011			
Royalty Notes (Medication Products)	U.S.	2012			
Royalty Notes (Neuropathic Pain)	Global	2011			
Royalty Notes (Hormone Therapy)	Global	2011			
Suddenlink Communications (PIK Preferred)	U.S.	2010			
			40.3	**0.0**	**40.3**
Total Direct / Co-investments			**$178.8**	**$1.6**	**$180.3**
NB Alternatives Direct Co-investment Program			**-**	**$159.5**	**$159.5**
NB Healthcare Credit Investment Program			**-**	**$47.3**	**$47.3**
Total Private Equity Investment Portfolio			**$576.5**	**$304.5**	**$881.1**

1. *Totals may not sum due to rounding.*
2. *Direct/co-investment values are disclosed on an aggregate-only basis. No single direct/co-investment comprise more than 3.5% of total net asset value.*
3. *Gabriel Brothers is the only Special Situations investment*
4. *Seventh Generation is the only Growth Equity investment.*

NEW INVESTMENTS

During the first six months of 2012, we funded an aggregate $57.4 million[1] to the following private equity investments:

American Dental Partners
Mid-cap Buyout direct/co-investment
(2-3% of NBPE NAV)

- Provider of administrative office management services to dental practices in the United States, covering approximately 280 dental facilities and 570 dentists
- NBPE invested alongside JLL Partners, who has a successful track-record in healthcare investments in the United States
- The thesis is predicated on a stable and resilient dental services industry, a secular trend towards outsourcing of dental office administration services, significant opportunities to expand through de novo offices and consolidating a fragmented market, and an attractive entry valuation

Blue Coat Systems
Mid-cap Buyout direct/co-investment
(3-4% of NBPE NAV)

- Technology company that provides web security and velocity acceleration products to Fortune 500 companies. Blue Coat sells its products and services globally
- NBPE invested alongside Thoma Bravo, one of the best private equity investors in the space, with an especially strong track record in "software as a service" business models
- The thesis is predicated mainly on strong secular growth trends in technology security and network optimization, significant opportunities to drive margin expansion, and attractive valuation
- NB has previously co-invested with Thoma Bravo in similar businesses and value creation thesis (e.g. SonicWALL)

Gabriel Brothers
Special Situations direct/co-investment
(1-2% of NBPE NAV)

- Off-price retailer that purchases merchandise from vendors at deep discounts due to stock over-runs, close outs or minor irregularities, and resells the product. The company has 100 stores in the mid-Atlantic and south-eastern states of the United States and carries well known brands
- NBPE invested alongside A&M Capital, a middle market private equity firm focused on undermanaged companies where they can bring their operational expertise and executives to bear to improve performance
- Well-positioned retailer with the opportunity to improve operating performance and margin profile

Avaya Add-on Acquisition
Large-cap Buyout direct/co-investment
(Less than 1% of NBPE NAV)

- Provider of communication systems, applications and services for enterprises, including businesses, government agencies and other organizations
- The acquired business is a leading provider of videoconferencing and telepresence technologies over IP and wireless networks
- NBPE invested alongside Silver Lake and TPG, two premier large-cap investors in technology companies and related sectors
- Through the acquisition, Avaya will have a competitive portfolio of video and unified communications solutions and the acquired business's product will benefit from Avaya's distribution network and existing customer base

1. *Net of returns of capital.*

NEW INVESTMENTS

ENC Acquisition Corp. / ENC Holdings Direct yielding mezzanine investment and Mid-cap Buyout direct/co-investment (2-3% of NBPE NAV)	• Leading business services firm focused on supporting agents and drivers that coordinate and haul intermodal freight • NBPE invested in the equity alongside AEA Investors, a premier lower middle market business services investor • NB Alternatives directly underwrote the mezzanine investment which carries a 12% annual cash interest coupon, paid monthly, and a 2% PIK interest component • The thesis is predicated on the favorable secular trend within the transportation industry towards intermodal shipping, backing an industry leading management team and an attractive risk reward profile given the businesses underlying customer diversification and earnings profile
Royalty Notes Direct Purchase of Royalty Backed Notes (Direct Yielding Investment) (Less than 1% of NBPE NAV)	• Senior notes secured by guaranteed licensing payments generated by the sale of next generation safety blood collection device, with features that protect healthcare workers against needlestick accidents • NB Alternatives and sub-advisor directly underwrote the purchase of the notes which carry a 14% annual cash interest rate with upside potential for additional interest contingent on product sales • The investment thesis is predicated on a regulatory-driven shift in market toward “safe needles” and attractive long term contract dynamics that underpin the income stream supporting the royalty

VALUATION METHODOLOGY

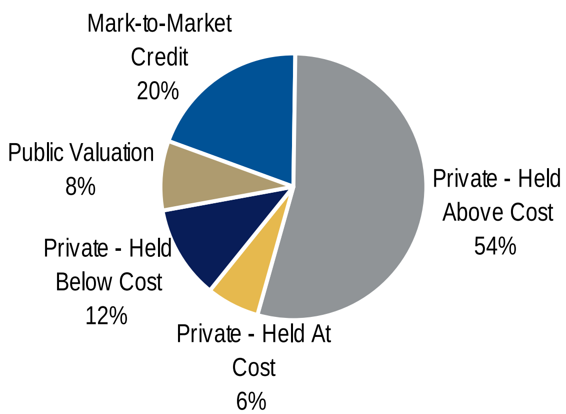
We carry our private equity investments on our books at fair value using the best information we have reasonably available to determine or estimate fair value. Publicly traded securities are valued based on quoted prices as of the last day of the relevant period less discounts to reflect legal restrictions associated with the securities, if any, that affect marketability. We determine such values for publicly traded securities held directly as well as known public positions held in the underlying private equity investments on a look-through basis. We estimate fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or the lead investor of a direct/co-investment, and considers subsequent transactions, such as drawdowns or distributions, as well as other information judged to be reliable that reports or indicates valuation changes, including realizations and other portfolio company events. We proactively re-value our investments before we have received updated information from the fund manager or lead sponsor if we become aware of material events that justify a change in valuation. If we conclude that it is probable that we will sell an investment, we adjust our carrying value to the amount we expect to realize from the sale, exclusive of transaction costs.

Our NAV per Share of $11.26 as of 30 June 2012 was $0.10 higher than previously reported in our June 2012 Monthly Report principally due to the receipt of additional portfolio valuation information. Companies held through multiple fund investments are generally marked at the lowest of the GP valuations and in some cases the average of the GP valuations.

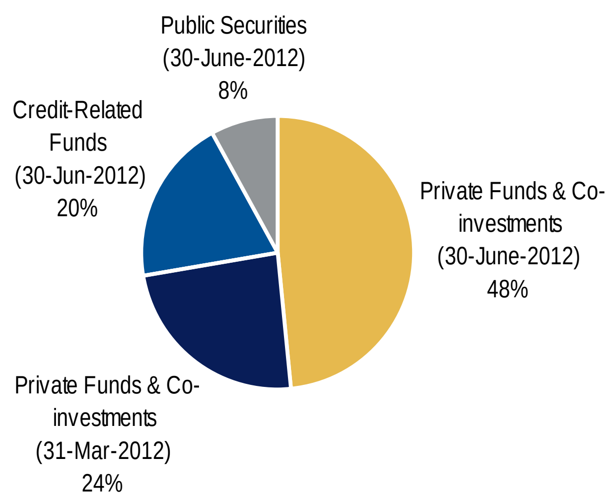
The graphs below illustrate the diversification of our private equity investments by valuation type and the date of most recent available information as of 30 June 2012.

VALUATION METHODOLGY

Fair Value by Valuation Type



Fair Value by Date of Most Recent Available Information



PERFORMANCE BY ASSET CLASS

Based on the multiple of total value to paid-in capital ("TVPI") since inception, our private equity portfolio saw strong gains in special situations and venture / growth capital funds. The special situations portfolio increased 6.7% during the first six months of 2012. This increase was meaningfully driven by distributions from Platinum Equity Capital Partners II as a result of multiple transactions, including the re-financing of NESCO LLC. The $280 million senior secured second-lien note offering allowed the company to pay down existing debt and fund a one-time $65 million dividend to the equity sponsor.[1]

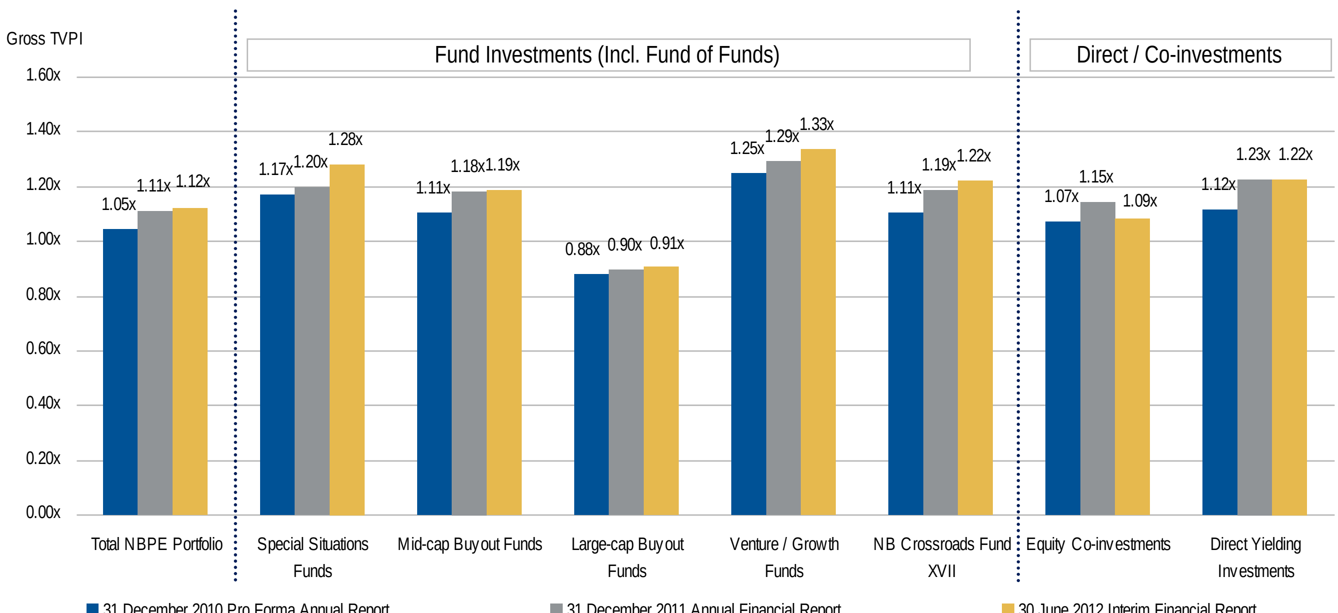
The value of the growth / venture portfolio increased approximately 3.1% since 31 December 2011. This increase in value was driven by distributions from fund commitments to Bertram Growth Capital I and II as a result of the $200 million all-cash sale of EDI Holdings to Nordson (NASDAQ: NDSN).[1]

Our investment in NB Crossroads Fund XVII, a diversified fund of funds portfolio, increased in total value by approximately 2.5% during the first six months of 2012, driven by distributions of $4.2 million from underlying liquidity events.

The value of the direct/co-investments declined from 31 December 2011 primarily due to the funding of additional new investments which are held at cost. The value of our direct yielding investments increased in total value by 5.7% since 31 December 2011, driven by write-ups in debt positions based on improved company performance and the realization of SonicWall, Inc. Second Lien Debt. However, performance measured by TVPI was flat primarily due to the funding of $12.0 million mezzanine financing of ENC Acquisition Corporation which is held at cost.

The graph below illustrates a summary of our portfolio performance since inception by asset class as of 30 June 2012.

YTD 2012 PORTFOLIO PERFORMANCE BY ASSET CLASS



Fair Value at 30-June-2012 ($mm):	$573.2	$175.7	$113.1	$42.6	$28.3	$34.8	$138.8	$40.0
Cash Distributions since Inception:	$295.2	$62.0	$63.2	$55.6	$13.2	$23.7	$55.9	$21.5
% of Cost Basis Distributed:	40%	33%	43%	64%	42%	50%	31%	43%

Note: Totals may not sum due to rounding. A portion of the December 2011 secondary transaction in Wayzata Opportunities Fund II is unfunded through a deferred purchase price. For performance calculations, this deferred purchase price is netted against fair value. Therefore the fair value shown on this page will not tie to private equity fair value. Realized investments have generated a 1.4x multiple of invested capital. This includes shorter duration investments underwritten to higher IRR and lower multiples. Strategic Asset Sale proceeds of approximately $100.5 million are excluded from cash distributions and percentage of cost basis distributed.

1. Source: Reuters and PR Newswire, respectively.

PORTFOLIO INVESTMENT PERFORMANCE

The table below outlines the performance of our unrealized underlying investments by asset class and valuation range as of 30 June 2012. The following analysis totals approximately $592.3 million in fair value, and is based on the most recent information available at the underlying company level. Across the portfolio, 79% of unrealized fair value and 63% of unrealized cost basis was held at or above cost on a company by company basis as of 30 June 2012.

AGGREGATE PORTFOLIO COMPANY ANALYSIS BY ASSET CLASS AND VALUATION RANGE[1]

Total Unrealized Portfolio Multiple Range	30 June 2012 Cost	30 June 2012 Value
2.0x +	$35.4	$111.9
1.0x - 2.0x	251.1	308.8
Held at Cost	49.5	49.5
0.5x - 1.0x	134.9	110.8
0.25x - 0.5x	26.9	8.9
< 0.25x	35.3	2.4
Total Unrealized ($m)	**$533.1**	**$592.3**

Special Situations Multiple Range	30 June 2012 Cost	30 June 2012 Value
2.0x +	$5.2	$17.3
1.0x - 2.0x	150.6	178.0
Held at Cost	1.6	1.6
0.5x - 1.0x	58.5	49.7
0.25x - 0.5x	1.8	0.6
< 0.25x	2.4	-
Total Unrealized ($m)	**$220.1**	**$247.3**

Mid-cap Buyout Multiple Range	30 June 2012 Cost	30 June 2012 Value
2.0x +	$19.3	$56.4
1.0x - 2.0x	52.2	68.4
Held at Cost	37.1	37.1
0.5x - 1.0x	42.0	34.0
0.25x - 0.5x	6.6	2.7
< 0.25x	14.6	1.4
Total Unrealized ($m)	**$171.8**	**$200.0**

Large-cap Buyout Multiple Range	30 June 2012 Cost	30 June 2012 Value
2.0x +	$4.9	$17.7
1.0x - 2.0x	37.1	47.2
Held at Cost	7.8	7.8
0.5x - 1.0x	27.7	21.8
0.25x - 0.5x	15.8	4.5
< 0.25x	16.3	1.1
Total Unrealized ($m)	**$109.5**	**$100.0**

Growth / Venture Multiple Range	30 June 2012 Cost	30 June 2012 Value
2.0x +	$5.9	$20.6
1.0x - 2.0x	11.2	15.2
Held at Cost	2.9	2.9
0.5x - 1.0x	6.8	5.3
0.25x - 0.5x	2.7	1.1
< 0.25x	2.0	0.1
Total Unrealized ($m)	**$31.6**	**$45.1**

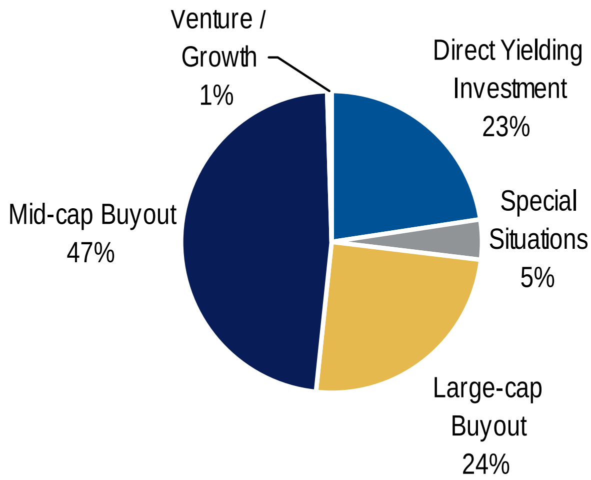
1. Assets not included consist primarily of cash held by underlying private equity funds and investments not yet identified. Values based on underlying company level data and may differ from net asset value.

DIRECT/CO-INVESTMENT PORTFOLIO SUMMARY

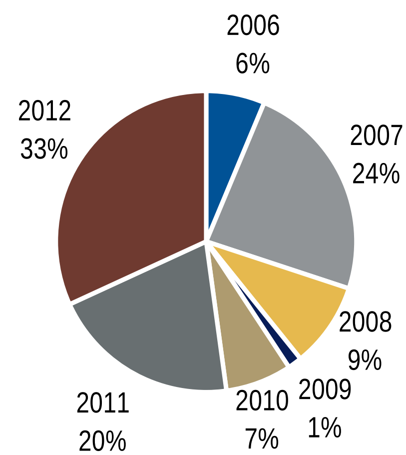
Our direct/co-investment portfolio consisted of 36 investments as of 30 June 2012. Illustrated below is the diversification of our direct/co-investment portfolio by asset class and year of investment based on fair value.

DIRECT/CO-INVESTMENT PORTFOLIO OVERVIEW

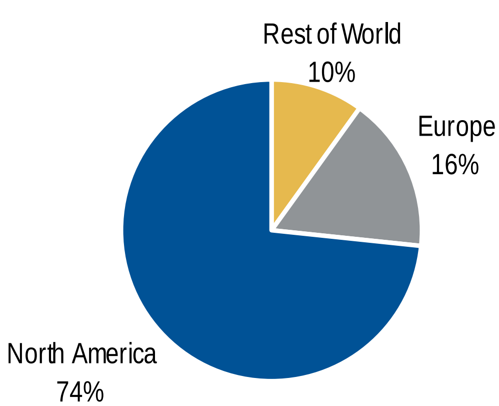
Fair Value by Asset Class



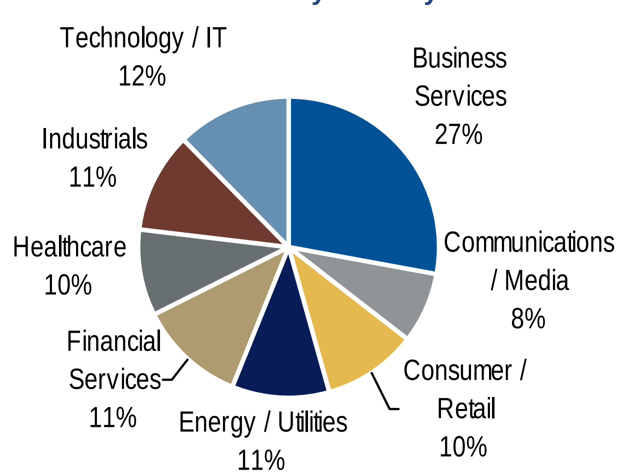
Fair Value by Year of Investment[1]



Fair Value by Geography



Fair Value by Industry



1. *Year of investment includes follow-on investments in direct/co-investments and may differ from vintage year.*

DIRECT/CO-INVESTMENT PORTFOLIO SUMMARY

Listed below is a description of the unrealized companies in our direct/co-investment portfolio as of 30 June 2012.

Company Name	Asset Class	Business Description
American Dental Partners, Inc.	Mid-cap Buyout	Provider of dental practice management services to multi-disciplinary dental groups in the U.S.
Avaya, Inc.	Large-cap Buyout	Provider of communication systems, applications and services for enterprises, including businesses, government agencies and other organizations
Blue Coat Systems, Inc.	Mid-cap Buyout	Designer and developer of products and services that optimize and secure the delivery of business applications over the internet or a wide-area network (WAN)
Capsugel, Inc.	Large-cap Buyout	Provides hard capsules and drug delivery systems for pharmaceutical and healthcare industries
CommScope, Inc.	Large-cap Buyout	Global provider of infrastructure solutions for communications networks
Dresser Holdings, Inc.	Mid-cap Buyout	Global manufacturer and marketer of highly engineered energy infrastructure and oilfield equipment for mission-critical applications
Edgen Group Inc.	Mid-cap Buyout	Global distributor and marketer of high performance steel and alloy products used primarily in energy infrastructure applications
ENC Holdings / ENC Acquistion Corporation	Mid-cap Buyout / Special Situations	Leading business services firm focused on supporting agents and drivers that coordinate and haul intermodal freight
Energy Future Holdings Corp.	Large-cap Buyout	Energy company that manages a portfolio of competitive and regulated energy businesses located in Texas, including unregulated power generation, retail electric supply, and regulated electric utilities
Fairmount Minerals, Ltd.	Mid-cap Buyout	Producer of high purity sand for a broad range of industrial applications, including sand-based proppants for the oil and gas industry
First Data Corporation	Large-cap Buyout	Provider of electronic commerce and payment solutions for merchants, financial institutions, and card issuers globally, with operations in 36 countries, serving over 6 million merchant locations and thousands of card issuers
Firth Rixson, plc (Equity)	Mid-cap Buyout	Supplier of highly engineered rings, forgings and specialist metal products primarily to global aerospace engine manufacturers
Freescale Semiconductor, Inc.	Large-cap Buyout	Designer and manufacturer of semiconductors for a variety of end-markets including the automotive, consumer, industrial, networking and wireless industries
Gabriel Brothers, Inc.	Special Situations	Discount retailer offering a broad range of products, including apparel, accessories, footwear and home goods
GazTransport & Technigaz S.A.S.	Mid-cap Buyout	Designer and installer of cryogenic containment systems for liquefied natural gas carriers
Group Ark Insurance Holdings Limited	Mid-cap Buyout	Lloyd's market underwriter of a geographically diverse book of global specialty insurance and reinsurance risks
J.Crew Group, Inc.	Large-cap Buyout	Specialty retailer of women's, men's and children's apparel, shoes and accessories
Kyobo Life Insurance Co., Ltd.	Mid-cap Buyout	Life insurance company based in Korea that offers a broad range of savings and protection products targeted at middle- and upper-income consumers
Pepcom GmbH	Mid-cap Buyout	Germany's 5th largest cable operator with more than 630,000 subscribers of video, broadband and voice services
Press Ganey Associates, Inc.	Mid-cap Buyout	Provider of patient satisfaction measurement and quality and performance improvement solutions to healthcare institutions
RAC Limited	Large-cap Buyout	Provides motor-related and breakdown assistance services to consumer and corporate clients in the UK
Sabre Holdings Corporation	Large-cap Buyout	World leader in travel commerce, providing a broad portfolio of transaction processing, distribution, and technology solutions to the global travel industry
Salient Federal Solutions, LLC	Mid-cap Buyout	Provider of technology and engineering services to government agencies, primarily within the intelligence community and the Department of Defense
Seventh Generation, Inc.	Growth / Venture	Manufacturer of authentic, safe, and environmentally-responsible household products for a healthy home
SonicWall, Inc. (Equity)[1]	Mid-cap Buyout	Developer of advanced intelligent network security and data protection solutions for small and large enterprises worldwide
The SI Organization, Inc.	Mid-cap Buyout	Provider of high-end systems engineering and integration solutions and modeling, simulation, analysis and risk mitigation services to the U.S. Intelligence Community
Swissport International AG	Mid-cap Buyout	Worldwide leader in ground handling services, providing ramp services, passenger services, and cargo services to more than 650 airlines
Syniverse Technologies, Inc.	Large-cap Buyout	Provider of technology and business solutions for the global telecommunications industry
TPF Genco Holdings, LLC	Mid-cap Buyout	Five natural gas-fired power plants located in California, Texas, Illinois, Virginia and West Virginia, representing 2,480 megawatts of generating capacity
Univar Inc.	Large-cap Buyout	Global distributor and marketer of commodity and specialty chemicals to a broad array of end markets

1. *SonicWall is a mostly realized investment with escrow proceeds as remaining unrealized value which we expect to be fully realized in the future.*

DIRECT/CO-INVESTMENT PORTFOLIO SUMMARY

Since inception, our direct/co-investment portfolio has generated a 1.09x TVPI multiple as of 30 June 2012. In aggregate, the valuation of our direct/co-investment portfolio decreased by approximately 5.2% during the first six months, primarily due to funding new investments held at cost.

The table below outlines the performance of our direct/co-investment portfolio from inception through 30 June 2012 by asset class and current valuation range. The number of investments and the TVPI multiples are based on all realized and unrealized direct/co-investment, while the current fair values are based on unrealized direct/co-investment as of 30 June 2012. As of 30 June 2012, the fair value of our direct/co-investment portfolio was $138.8 million.

The below charts will not be comparable to historical presentations due to the removal of direct yielding investments, which have a separate analysis on page 27 of this report.

DIRECT/CO-INVESTMENT PERFORMANCE SINCE INCEPTION[1]

	Equity Co-investments				
($ in millions) **Asset Class**	**# of Equity Co-investments**	**Realized Proceeds**	**30-June-2012 Fair Value**	**Total Value to Paid-in Capital**	**% of Fair Value**
Mid-cap Buyout & Growth Equity	23	$53.6	$86.5	1.24x	62.4%
Large-cap Buyout & Special Situations	12	2.3	52.2	0.83x	37.6%
Total Equity Co-investments	**35**	**$55.9**	**$138.8**	**1.09x**	**100.0%**

	Equity Co-investments				
($ in millions) **Multiple Range**	**# of Equity Co-investments**	**Realized Proceeds**	**30-June-2012 Fair Value**	**Total Value to Paid-in Capital**	**% of Fair Value**
Greater than 2.0x	7	$25.7	$25.1	2.51x	18.1%
1.0x to 2.0x	15	18.8	66.4	1.11x	47.8%
Cost	2	-	10.6	1.00x	7.6%
0.5x to 1.0x	8	11.3	33.6	0.92x	24.2%
Less than 0.5x	3	0.1	3.1	0.14x	2.2%
Total Equity Co-investments	**35**	**$55.9**	**$138.8**	**1.09x**	**100.0%**

	Equity Co-investments				
($ in millions) **Vintage Year**	**# of Equity Co-investments**	**Realized Proceeds**	**30-June-2012 Fair Value**	**Total Value to Paid-in Capital**	**% of Fair Value**
2006 & 2007	14	$48.2	$54.4	1.04x	39.2%
2008 & 2009	4	0.9	6.6	1.55x	4.8%
2010	6	6.7	11.2	1.90x	8.1%
2011	7	0.1	24.2	1.07x	17.5%
2012	4	0.1	42.3	0.97x	30.5%
Total Equity Co-investments	**35**	**$55.9**	**$138.8**	**1.09x**	**100.0%**

1. *As of 30 June 2012 there was one special situations direct/co-investment.*

DIRECT/CO-INVESTMENT PORTFOLIO SUMMARY

As of 30 June 2012, in aggregate, the unrealized portfolio of direct/co-investments was held at a multiple of 1.01x and represented approximately $138.8 million of fair value. Approximately 56% of the fair value within our unrealized direct/co-investment portfolio was invested since 2010, which reflects the relatively young age of the portfolio. As of 30 June 2012, approximately 74% of the unrealized direct/co-investment fair value was held at or above cost.

UNREALIZED DIRECT/CO-INVESTMENT PORTFOLIO PERFORMANCE[1]

	Equity Co-investments				
($ in millions) Asset Class	**# of Equity Co-investments**	**Realized Proceeds**	**30-June-2012 Fair Value**	**Total Value to Paid-in Capital**	**% of Fair Value**
Mid-cap Buyout & Growth Equity	18	$7.4	$86.5	1.15x	62.4%
Large-cap Buyout & Special Situations	12	2.3	52.2	0.83x	37.6%
Total Equity Co-investments	**30**	**$9.7**	**$138.8**	**1.01x**	**100.0%**

	Equity Co-investments				
($ in millions) Multiple Range	**# of Equity Co-investments**	**Realized Proceeds**	**30-June-2012 Fair Value**	**Total Value to Paid-in Capital**	**% of Fair Value**
Greater than 2.0x	5	$4.0	$25.1	2.33x	18.1%
1.0x to 2.0x	13	3.1	66.4	1.11x	47.8%
Cost	2	-	10.6	1.00x	7.6%
0.5x to 1.0x	7	2.5	33.6	0.93x	24.2%
Less than 0.5x	3	0.1	3.1	0.14x	2.2%
Total Equity Co-investments	**30**	**$9.7**	**$138.8**	**1.01x**	**100.0%**

	Equity Co-investments				
($ in millions) Vintage Year	**# of Equity Co-investments**	**Realized Proceeds**	**30-June-2012 Fair Value**	**Total Value to Paid-in Capital**	**% of Fair Value**
2006 & 2007	10	$5.1	$54.4	0.88x	39.2%
2008 & 2009	4	0.9	6.6	1.55x	4.8%
2010	5	3.6	11.2	1.67x	8.1%
2011	7	0.1	24.2	1.07x	17.5%
2012	4	0.1	42.3	0.97x	30.5%
Total Equity Co-investments	**30**	**$9.7**	**$138.8**	**1.01x**	**100.0%**

1. *As of 30 June 2012 there was one special situations direct/co-investment.*

DIRECT/CO-INVESTMENT PORTFOLIO SUMMARY[1]

Our investment manager analyzed the performance of our unrealized traditional buyout co-investments which were valued based on a multiple of EBITDA. The below charts outline the EV / LTM EBITDA valuation ranges and Net Debt / LTM EBITDA ranges for our traditional buyout investments. The below charts only reflect the number of unique unrealized portfolio companies (excluding escrow) and also excludes public companies and realized investments; therefore company counts and amounts will differ from the analysis on page 25 and 26.

Overall, the portfolio was held at a weighted average valuation multiple of 7.7x LTM EBITDA as of 30 June 2012. The portfolio had a weighted average leverage multiple of 3.3x LTM EBITDA as of 30 June 2012.[2]

($ in millions) EV / EBITDA Valuation Ranges	# of Unique Equity Co-investments	Realized Proceeds	30-June-2012 Fair Value	Total Value to Paid-in Capital	% of Fair Value
< 7x	6	$2.6	$48.4	1.34x	36.7%
7x - 8x	4	2.2	13.9	1.04x	10.6%
8x - 9x	8	0.7	28.2	0.92x	21.3%
9x - 10x	2	0.0	8.3	0.84x	6.3%
10x+	6	0.9	33.2	1.01x	25.1%
Total Direct / Co-investments	**26**	**$6.4**	**$132.2**	**1.08x**	**100.0%**

($ in millions) Net Debt / EBITDA Ranges	# of Unique Equity Co-investments	Realized Proceeds	30-June-2012 Fair Value	Total Value to Paid-in Capital	% of Fair Value
< 2x	7	$0.6	$32.0	1.38x	24.2%
2x - 3x	1	0.7	4.7	2.69x	3.6%
3x - 4x	3	2.5	13.1	1.12x	9.9%
4x - 5x	7	0.5	40.7	1.14x	30.8%
5x+	8	2.2	41.6	0.83x	31.5%
Total Direct / Co-investments	**26**	**$6.4**	**$132.2**	**1.08x**	**100.0%**

1. *Investment count reflects unique companies.*
2. *Weighted by fair value.*

DIRECT YIELDING INVESTMENT PORTFOLIO SUMMARY

Listed below is a description of the unrealized companies in our direct yielding investment portfolio as of 30 June 2012.

Investment Stage	# of Companies	Fair Value ($mm)	Commentary
Direct Yielding Investments	7	$40.0	Direct yielding investments including mezzanine debt securities, PIK preferred shares, and royalty-backed notes
ENC Acqusition Corp.			$12 million of senior subordinated notes with a 31 May 2018 maturity, a 12% annual cash coupon and 2% annual PIK interest
Firth Rixson			Mezzanine debt with LIBOR+10.5% coupon (4.5% cash, 6.0% PIK); denominated 2/3 in USD and 1/3 in GBP
Firth Rixson (2011)			18% Senior unsecured PIK notes
Royalty Notes (Medication Delivery)			Royalty notes backed by the sales of medication and blood collection products
Royalty Notes (Hormone Therapy)			Royalty notes with LIBOR+16.0% coupon (1.0% LIBOR floor) that amortize based on excess drug royalty income; issued at a 2.3% discount to par
Royalty Notes (Neuropathic Pain)			Royalty notes with 11.0% coupon that amortize based on excess drug royalty income
Suddenlink Communications			Preferred equity with 12.0% (PIK) coupon; purchased at a discount to accreted value

The seven direct yielding investments in the special situations portfolio had a fair value of $40.0 million as of 30 June 2012. These direct yielding investments in the portfolio generated annualized income of approximately $5.4 million through cash and PIK interest[1], had a weighted average yield to maturity of approximately 15%, and had a weighted average senior leverage multiple of 2.6x.[2]

($ in millions) Investment Type	# of Securities	Fair Value	Annualized Income[1]	Leverage Multiple[2]	Current Yield	Est. Yield to Maturity
Drug Royalty Investments	3	$11.8	$1.8	0.0x	14.8%	16.5%
Traditional Corporate Mezzanine / Other	4	28.2	3.6	3.6x	12.9%	14.4%
Total Direct Yielding Investments	**7**	**$40.0**	**$5.4**	**2.6x**	**13.5%**	**15.0%**

As of 30 June 2012, these seven direct yielding investments have been highly capital efficient, having returned approximately $9.1 million in realized proceeds to date and have generated meaningful current IRRs to NBPE. In aggregate, these seven direct yielding investments were held at 1.22x TVPI multiple as of 30 June 2012.

($ in millions) Current IRR Range (Incept - 30 June 2012)	# of Securities	Realized Proceeds	30-June-2012 Fair Value	Total Value to Paid-in Capital	% of Fair Value
10% - 20% IRR & Recent Investments	3	$3.9	$26.2	1.22x	66%
20% - 30% IRR	4	5.2	13.8	1.22x	34%
Total Direct Yielding Investments	**7**	**$9.1**	**$40.0**	**1.22x**	**100%**

1. *Annualized income includes expected income from the recent mezzanine investment in ENC Acquisition Corp.*
2. *Based on the net leverage that is senior to the security held by NBPE. Royalty notes are not only generally senior in the capital structure, but also senior to operating expenses.*

BUYOUT PORTFOLIO ANALYSIS[1]

In connection with our portfolio monitoring process, our Investment Manager analyzed the operational performance and valuation metrics for the 50 largest buyout investments (including co-investments) based upon fair value at 30 June 2012.

Traditional Buyout Investments

- Traditional buyout investments that were valued based on a multiple of cash flow (total enterprise value as a multiple of EBITDA[2])
    - 34 companies with approximately $125.4 million of fair value, representing 22% of private equity fair value and 41% of buyout fair value
- Summary metrics for the traditional buyout investments:
    - Weighted average valuation multiple of 9.4x LTM EBITDA
    - Weighted average leverage multiple of 4.4x LTM EBITDA
    - Weighted average LTM revenue growth of 5.1%
    - Weighted average LTM EBITDA growth of 9.5%

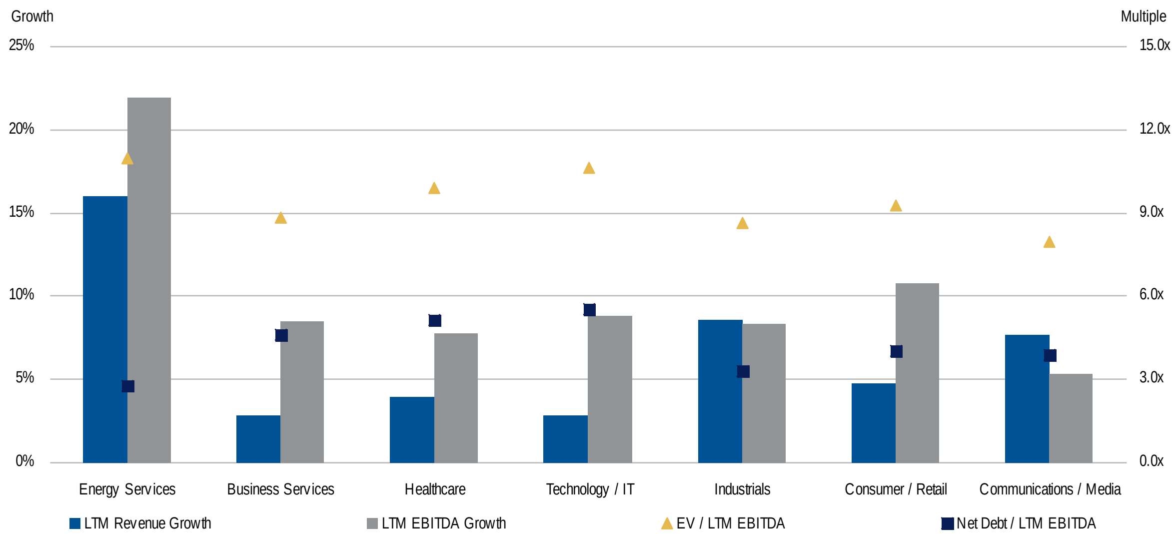
Other Buyout Investments

- Power generation and utility companies, financial institutions and publicly traded companies
    - 16 companies with approximately $62 million of fair value, representing 11% of private equity fair value and 21% of buyout fair value
- Six privately held financial institutions ($28 million of fair value) grew book value by 9% over the last twelve months and were valued at 1.27x book value on a weighted average basis
- Two power generation and utility companies ($14 million of fair value) were valued based on a variety of metrics, including price per kilowatt hour of generation capacity
- Eight publicly traded companies ($21 million of fair value) generated a weighted average total return of -2% during 2012

1. *Portfolio company operating and valuation metrics are based on most recently available information (unaudited). Private equity fair value as of 30 June 2012. Numbers may not sum due to rounding.*
2. *One energy services company was valued based on normalized EBITDA.*

BUYOUT PORTFOLIO ANALYSIS[1]

The figure below illustrates the key operating, valuation, and leverage statistics for the largest traditional buyout investments by industry sector. In conducting the analysis, our Investment Manager utilized the most recently available information (principally as of 30 June 2012 but also as of 31 March 2012) to evaluate the year-over-year growth in revenue and EBITDA for each company. In addition, our Investment Manager analyzed the most recently available valuation multiple (enterprise value to LTM EBITDA[2]) and leverage multiple (net debt to LTM EBITDA) for each company. The aggregate metrics by industry sector represent weighted averages based on the fair value of each underlying company at 30 June 2012.



Fair Value ($mm):	**$9.4**	**$43.9**	**$10.2**	**$25.5**	**$14.4**	**$12.5**	**$9.4**
# of Companies:	**3**	**8**	**4**	**3**	**8**	**4**	**4**

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1. *Portfolio company operating and valuation metrics are based on most recently available information (unaudited). Private equity fair value as of 30 June 2012. LTM revenue and EBITDA are excluded for three new investments made in 2012; however, the EV / LTM EBITDA and net debt / EBITDA multiples are included.*
2. *One energy services company was valued based on normalized EBITDA.*

TWENTY LARGEST UNDERLYING INVESTMENTS

As of 30 June 2012, our direct fund and co-investment portfolio had exposure to approximately 590 underlying companies. Including NB Crossroads Fund XVII and Fund XVIII, our private equity portfolio had exposure to over 3,200 underlying companies, with our allocable portion of approximately 510 companies valued at greater than $100,000. Our 10 largest portfolio company investments totaled approximately $117.1 million in fair value, or 20.3% of private equity fair value. Our 20 largest portfolio company investments totaled approximately $164.5 million in fair value, or 28.5% of fair value. No individual company accounted for more than 3.5% of total NAV as of 30 June 2012. Listed below are the 20 largest underlying investments in alphabetical order.

Company Name	Status	Asset Class	Partnership(s)
American Dental Partners, Inc.	Private	Mid-cap Buyout	Co-investment
Author Solutions, Inc.	Private	Growth / Venture	Bertram Growth Capital I, Fund XVIII
Avaya, Inc.	Private	Large-cap Buyout	Co-investment, Fund XVIII
Blue Coat Systems, Inc.	Private	Mid-cap Buyout	Co-investment
Capsugel, Inc.	Private	Large-cap Buyout	Co-investment
Cobalt International Energy, Inc.	Public	Large-cap Buyout	Carlyle/Riverstone III, First Reserve XI
Edgen Group, Inc.	Public	Mid-cap Buyout	Co-investment, Fund XVII, Fund XVIII
ENC Acquisition Corporation	Private	Direct Yielding	Direct Investment
Fairmount Minerals, Ltd.	Private	Mid-cap Buyout	Co-investment, Fund XVIII
Firth Rixson, plc (Mezzanine Debt)	Private	Direct Yielding	Direct Investment
FR Midstream Holdings, LLC	Private	Large-cap Buyout	First Reserve Fund XI
Gabriel Brothers, Inc.	Private	Special Situations	Co-investment
Group Ark Insurance Holdings Limited	Private	Mid-cap Buyout	Co-investment, Aquiline, Fund XVIII
Kyobo Life Insurance Co., Ltd.	Private	Mid-cap Buyout	Co-investment, Corsair III, Fund XVIII
RAC Limited	Private	Large-cap Buyout	Co-investment
Royalty Notes (Hormone Therapy)	Private	Direct Yielding	Direct Investment
Sabre Holdings Corporation	Private	Large-cap Buyout	Co-investment, Fund XVII, Fund XVIII
Terra-Gen Power, LLC	Private	Mid-cap Buyout	ArcLight Energy Partners IV, Fund XVIII
TPF Genco Holdings, LLC	Private	Mid-cap Buyout	Co-investment, Fund XVII, Fund XVIII
TSIO Holdings LLC	Private	Mid-cap Buyout	Co-investment, Fund XVIII

As of 30 June 2012, approximately $46.7 million of our private equity portfolio was comprised of investments directly or indirectly in publicly-traded securities. This amount represented approximately 8% of private equity fair value.

SPECIAL SITUATIONS FUND PORTFOLIO ANALYSIS

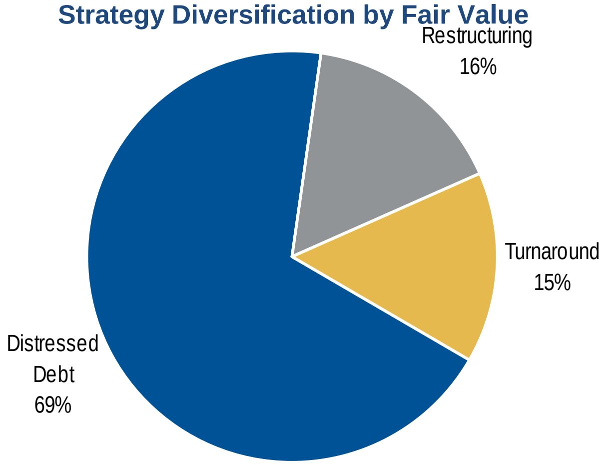
The fair value of our special situations fund portfolio (including special situations secondary purchases and excluding direct yielding investments and special situations direct/co-investments) was approximately $180.0 million as of 30 June 2012, or 31% of private equity fair value. Within this 31% of the portfolio, 20% of total private equity fair value was held in credit related funds that provide a monthly estimate of the mark-to-market fair value of their debt investments.

Our special situations fund portfolio consists of a combination of distressed debt, restructuring, turnaround. At six months end, the special situations portfolio was primarily comprised of debt securities, but over time we expect the equity component to increase as restructuring activity progresses.

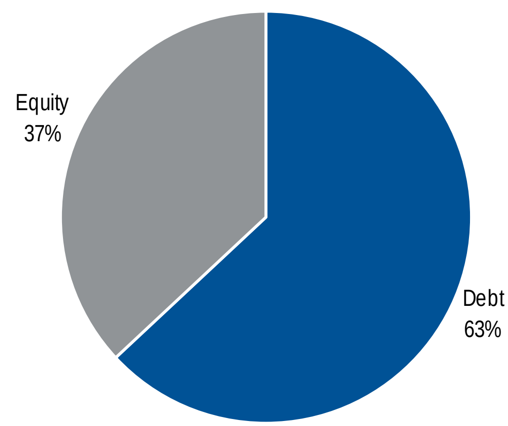
The below charts will not be comparable to historical presentations due to the removal of direct / yielding and direct/co-investments, which have a separate analysis on page 26 and 27 of this report.

SPECIAL SITUATIONS FUND PORTFOLIO OVERVIEW[1]

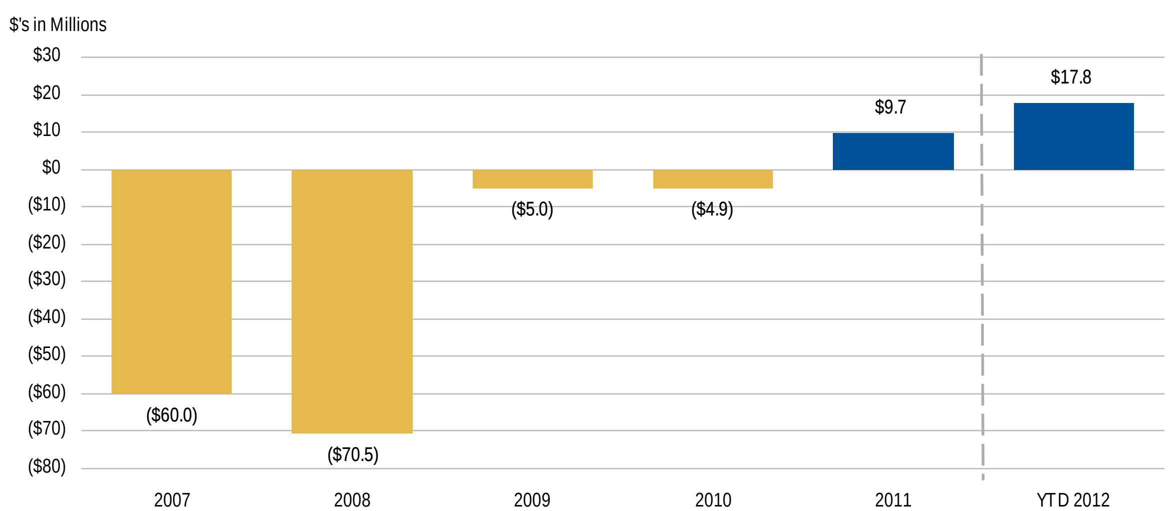
Strategy Diversification by Fair Value



Estimated Security Type by Fair Value



SPECIAL SITUATIONS FUND NET CASH FLOW PROFILE



1. *Special situations diversification statistics are based on most recently available quarterly information and the Investment Manager's estimates as of 30 June 2012.*

NB CROSSROADS FUND OF FUNDS INVESTMENTS

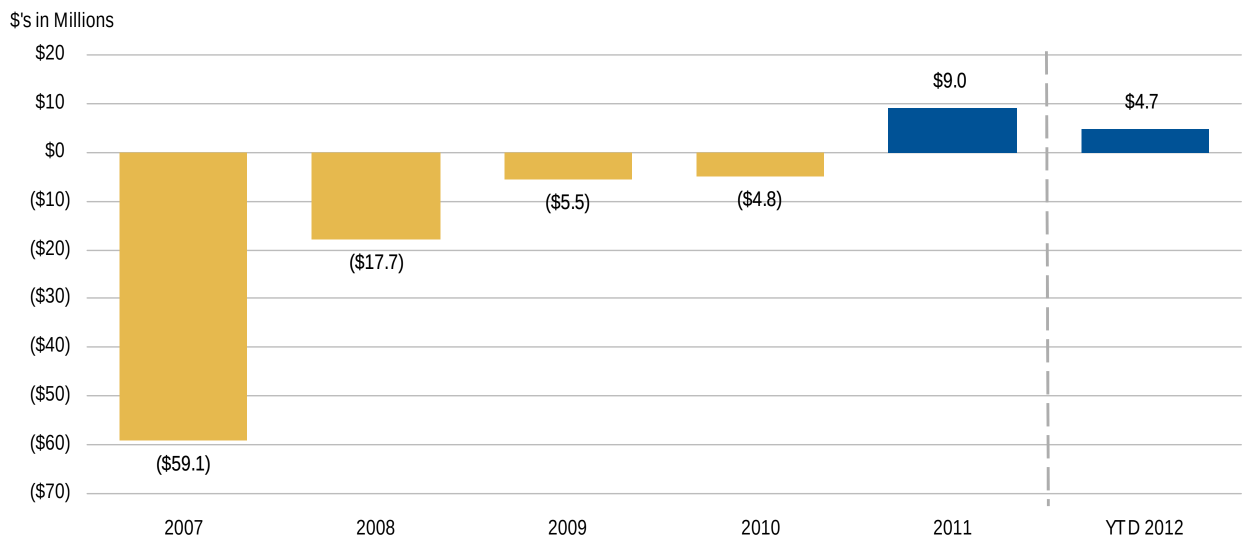
NB Crossroads Fund XVII ("Fund XVII") and NB Crossroads Fund XVIII ("Fund XVIII") are diversified private equity funds of funds comprised of private equity fund investments, secondary investments and co-investments. Our exposure to Fund XVII is through a single commitment to Fund XVII's asset allocation fund while our exposure to Fund XVIII is through separate commitments to each of the asset class funds within Fund XVIII: Large-cap Buyout; Mid-cap Buyout; Special Situations / Distressed; and Venture Capital.

As of 30 June 2012, the fair value of our investment in Fund XVII was $34.8 million, representing 6% of private equity fair value. The asset class diversification of our investment in Fund XVII based on private equity fair value at first six months end was as follows[1]: Mid-cap Buyout – 25%; Large-cap Buyout – 23%; Growth / Venture – 47%; and Special Situations – 5%. As of 30 June 2012, Fund XVII consisted of 62 primary fund investments, seven co-investments and five secondary purchases and included exposure to over 1,100 separate companies, with the ten largest companies totaling approximately $4.8 million in fair value to NBPE, or 0.8% of private equity fair value. At 30 June 2012, we had unfunded commitments of $3.3 million to Fund XVII.

As of 30 June 2012, the aggregate fair value of our investments in Fund XVIII was $60.7 million, representing 11% of private equity fair value. The asset class diversification of our investments in Fund XVIII based on private equity fair value at first six months end was as follows[1]: Mid-cap Buyout – 49%; Large-cap Buyout – 20%; Growth / Venture – 16%; and Special Situations – 15%. As of 30 June 2012, Fund XVIII consisted of 73 primary fund investments, 35 co-investments and 13 secondary purchases and included exposure to over 1,790 separate companies, with the ten largest companies totaling approximately $6.9 million in fair value to NBPE, or 1.2% of private equity fair value. At 30 June 2012, we had unfunded commitments of $13.1 million to Fund XVIII.

As of 30 June 2012, the ten largest investments in Fund XVII had a fair value of approximately $12.4 million, or 2.1% of private equity fair value. The ten largest investments in Fund XVIII had a fair value of approximately $19.0 million, or 3.2% of private equity fair value.

NB CROSSROADS FUND OF FUNDS NET CASH FLOW PROFILE



1. *The asset class diversification analysis is based on our allocable portion of the net asset value of the underlying fund investments and direct/co-investments held by Fund XVII and Fund XVIII, respectively.*

LIQUIDITY AND CAPITAL RESOURCES

The principal sources of our liquidity consist of the net cash proceeds of cash distributions from investments, sales of investments, interest and dividends earned on invested cash and investments, and borrowings under the credit facility (further detail provided below).

As of 30 June 2012, we had no outstanding borrowings from our $250.0 million credit facility. We had cash and cash equivalents of $49.3 million and $250.0 million of undrawn capacity on the credit facility, resulting in total capital resources of $299.3 million. As of 30 June 2012 we had unfunded private equity commitments of approximately $304.5 million, which represented approximately a 2% over commitment level.

The table below outlines our liquidity and capital commitment position as of 30 June 2012.

CAPITAL COMMITMENT POSITION AT 30 JUNE 2012

($ in millions)	30-Jun-12
Net Asset Value	$550.7
Total Private Equity Investments	$576.5
Private Equity Investment Level	105%
Unfunded Private Equity Commitments	$304.5
Total Private Equity Exposure	$881.1
Cash and Cash Equivalents	$49.3
Undrawn Credit Facility	$250.0
Total Capital Resources	$299.3
Over Commitment	(5.2)
Over Commitment Level	2%

In August 2007, we entered into an agreement with Bank of Scotland regarding a senior secured revolving credit facility of up to $250.0 million. Under the terms of the agreement, we may borrow, repay and re-borrow to fund private equity contributions and working capital requirements throughout the seven year term expiring in August 2014. All borrowings under the credit facility bear interest at a floating rate, calculated as LIBOR or Euribor, as appropriate, plus 1.35% per annum. We are also required to pay a non-utilization fee calculated as 40 basis points per annum on the daily balance of the unused amount of the credit facility. Although we do not presently pay dividends, we have the ability to pay dividends subject to compliance with the terms of the credit facility agreement.

The key financial covenant for our credit facility is a maximum debt to value ratio of 50.0%. The debt to value ratio is calculated as total debt and current liabilities divided by Restricted NAV, with Restricted NAV defined as the fair value of all private equity investments (less any excluded value) plus cash and cash equivalents. At 30 June 2012, the debt to value ratio was 2.6%.

The two other covenants are a secured asset ratio and a commitment ratio. The secured asset ratio is not to exceed 80.0% and is defined as total debt and current liabilities divided by Secured Assets, with Secured Assets defined as the value of secured private equity investments plus cash and cash equivalents. At 30 June 2012, the secured asset ratio was 3.2%.

The commitment ratio is defined as Restricted Total Exposure divided by the aggregate of Shareholder's equity and the total amount of the credit facility, with Restricted Total Exposure defined as the value of private equity investments (less any excluded value) plus unfunded private equity commitments. If the debt to value ratio is greater than 25.0% and the commitment ratio is greater than 130.0%, then we become restricted from making new private equity investments. At 30 June 2012, the commitment ratio was 110.0%.

NBPE is in discussions to amend its existing credit facility as well as extend its maturity.

SHARE REPURCHASES

From July 2008 through May 2009, we repurchased 3,150,408 Shares, or 5.8% of the originally issued Shares, pursuant to a liquidity enhancement program on Euronext Amsterdam.

On 22 October 2010, we launched a new Share Buy-Back Programme in order to begin implementing the Capital Return Policy. Under the terms of the Share Buy-back Programme, Jefferies International Limited ("JIL") has been appointed to effect on-market repurchases of Shares on behalf of NBPE on Euronext Amsterdam and/or the Specialist Fund Market of the London Stock Exchange[1]. The Board of Directors has approved an extension of the share buyback program from 31 August 2012 to 30 November 2012; the documentation for such extension is currently in process. Shares bought back under the Share Buy-Back Programme will be cancelled.

During the first six months of 2012, we repurchased a total of 443,352 Class A Ordinary Shares at a weighted average price of $7.01 per Class A Ordinary Share. As of 30 June 2012, we have repurchased an aggregate 5,308,183 Class A Ordinary Shares, or 9.8% of the originally issued Class A Ordinary Shares, at a weighted average price of $4.69 per Class A Ordinary Share.

LIQUIDITY ENHANCEMENT PROGRAMME AND SHARE BUY-BACK PROGRAMME ACTIVITY

Time Period	Number of Shares Repurchased	Weighted Average Repurchase Price	Weighted Average Discount to NAV	Accretion to NAV per Share
July 2008 - May 2009	3,150,408	$2.93	68.6%	$0.17 [2]
November 2010	123,482	$7.01	28.0%	$0.02
December 2010	203,285	$7.05	28.4%	$0.01
January 2011	276,011	$7.00	32.6%	$0.02
February 2011	-	-	-	-
March 2011	92,504	$7.30	30.5%	$0.01
April 2011	55,683	$8.03	25.1%	<0.01
May 2011	35,825	$8.84	17.8%	$0.01
June 2011	44,787	$8.62	20.4%	<0.01
July 2011	11,818	$8.36	23.7%	<0.01
August 2011	215,224	$8.02	25.8%	$0.01
September 2011	273,682	$7.53	29.8%	$0.01
October 2011	222,122	$6.86	34.9%	$0.02
November 2011	85,000	$6.96	35.1%	$0.01
December 2011	75,000	$6.98	34.4%	$0.01
January 2012	69,360	$6.98	36.7%	$0.01
February 2012	32,113	$6.94	37.7%	<0.01
March 2012	-	-	-	-
April 2012	50,000	$7.00	38.4%	$0.01
May 2012	266,879	$7.03	37.9%	$0.02
June 2012	25,000	$7.00	37.2%	<0.01
Total / Weighted Average	**5,308,183**	**$4.69**	**53.6%**	**$0.64**

1. *The Share Buy-back Programme was managed previously by The Royal Bank of Scotland N.V. (London Branch) and The Royal Bank plc, however following the acquisition by JIL of the corporate broking business of RBS Hoare Govett, management of the Share Buy-back Programme was transferred to JIL.*
2. *NAV per share accretion represents total accretion for cumulative shares repurchased during this time period.*

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made and relate to expectations, beliefs, projections (including anticipated economic performance and financial condition), future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts and are subject to risks and uncertainties including, but not limited to, statements as to:

- Our future operating results;
- Our business prospects and the prospects of our investments;
- The impact of investments that we expect to make;
- The dependence of our future success on the general economy and its impact on the industries in which we invest;
- The ability of our investments to achieve their objectives;
- Differences between our investment objective and the investment objectives of the private equity funds in which we invest;
- The rate at which we deploy our capital in private equity investments, co-investments and opportunistic investments;
- Our expected financings and investments;
- The continuation of the Investment Manager as our service provider and the continued affiliation with the Investment Manager of its key investment professionals;
- The adequacy of our cash resources and working capital; and
- The timing of cash flows, if any, from the operations of our underlying private equity funds and our underlying portfolio companies.

In some cases, forward-looking statements may be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will," and "would," or the negative of those terms or other comparable terminology.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Factors and events that could cause our business, financial condition, liquidity and results of operations to vary materially include, among other things, general economic conditions, securities market conditions, private equity market conditions, the level and volatility of interest rates and equity prices, competitive conditions, liquidity of global markets, international and regional political conditions, regulatory and legislative developments, monetary and fiscal policy, investor sentiment, availability and cost of capital, technological changes and events, outcome of legal proceedings, changes in currency values, inflation, credit ratings and the size, volume and timing of transactions, as well as other risks described elsewhere in this report and our prospectus relating to our IPO and our prospectus relating to our ZDP Shares.

The foregoing is not a comprehensive list of the risks and uncertainties to which we are subject. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect any change in our expectations, or any changes in events, conditions or circumstances on which the forward-looking statement is based. In light of these risks, uncertainties and assumptions, the events described by our forward-looking statements might not occur. We qualify any and all of our forward-looking statements by these cautionary factors.

RISK FACTORS

Our company is subject to, and an investment in our company's shares involves, substantial risks, which may adversely impact our business, financial condition, results of operations and/or the value of your investment. Investors in our company's Class A Ordinary Shares ("Class A Shares") and ZDP Shares should carefully consider such risks, which include, without limitation, those set out below. If any such risks occur, our business, financial condition, results of operations and the value of your investment would likely suffer.

Our company may experience fluctuations in its monthly NAV.

Our company may experience fluctuations in our NAV from month to month due to a number of factors, including changes in the values of investments, which in turn could be due to changes in values of portfolio companies, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in operating expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the shares and cause our company's results for a particular period not to be indicative of our company's performance in a future period.

On liquidation of our assets on any given day, the reported NAV may not match the liquidated cash value of such assets.

Where we are required or deem it necessary to liquidate some or all of our assets on any given day, the liquidated cash value of such assets may not match the reported NAV or portion of the reported NAV (in the case that not all of our assets are liquidated) attributable to such assets. Liquidation of our assets will be subject to a number of factors, including the availability of purchasers of our assets, liquidity and market conditions and, as such, the actual cash value of some or all of our assets may differ from the latest reported NAV (or portion of the reported NAV (in the case that not all of our assets are liquidated)).

The shares could continue to trade at a discount to NAV.

The shares could continue to trade at a discount to NAV for a variety of reasons, including, without limitation, due to market conditions or to the extent investors undervalue the Investment Manager's investment management activities. Also, since there is generally a period of years before a new private equity fund has completed making its investments, return on our investments in such funds is not likely to be realized for a substantial time period, if at all, which could negatively impact the value of the shares. Additionally, unlike traditional private equity funds, we intend to continuously reinvest the cash we receive, except in limited circumstances (including in connection with our company's Capital Return Policy and Share Buy Back Programme). Therefore, the only way for investors to realize their investment is to sell their shares for cash. Accordingly, in the event that a holder of shares requires immediate liquidity, or otherwise seeks to realize the value of its investment in our company, through a sale of shares, the amount received by the holder upon such sale may be less than the underlying NAV of the relevant shares sold.

The trading markets that the Class A Shares and ZDP Shares are admitted to are less liquid than certain other major exchanges, which could affect the price of our shares.

The principal trading markets are Euronext Amsterdam and the SFM for the Class A Shares and the SFM and the CISX for the ZDP Shares, and these markets are less liquid than certain other major exchanges in the United States and certain other parts of Europe. Because these markets are less liquid than major exchanges in the United States and certain other parts of Europe, our shareholders may face difficulty when disposing of their shares, especially in large blocks. To date the company's shares have actively traded, but with generally low daily volumes. Our company cannot predict the effects on the price of the shares if a more liquid trading market for them does not develop. In addition, if such a market does not develop, relatively small sales may have a significant negative impact on the price of the shares. For example, sales of a significant number of shares may be difficult to execute at a stable price.

RISK FACTORS

The availability of our credit facility and failure to continue to meet the financial covenants in our credit facility could have an adverse impact on our liquidity.

The availability of our credit facility is dependent on our continuing compliance with the covenants of our credit facility. We are currently in compliance with all of the covenants of our credit facility. However, certain events, including reductions in the NAV of our investment portfolio, could result in an event of default under the credit facility agreement. Where an event of default occurs, the lender may cancel the undrawn portion of our credit facility and declare the entire outstanding principal and interest immediately due. As a result, we may not have access to sufficient capital to meet our obligations (including unfunded commitments) and we could be forced to sell assets in order to cure the event of default or to repay our credit facility. Where we are obliged to sell assets from our investment portfolio to meet our obligations under our credit facility, such sale may be at an undervalue and may not reflect the estimated unaudited fair value that we have assigned to such asset(s). Further, where our credit facility is unavailable, our ability to make new investments or to honor funding obligations to which we are already committed may be severely restricted. We may be unable, or it may not be prudent or in our best interests, to enter into further agreements to borrow money or to refinance our credit facility.

The price attributed to the Class A Shares on Euronext Amsterdam and the SFM may vary significantly and the price attributed to the ZDP Shares on the SFM and the CISX may vary significantly.

The Class A Shares are admitted to trading on Euronext Amsterdam and the SFM and the ZDP Shares are admitted to trading on the SFM and the CISX. The price attributed to the Class A Shares or ZDP Shares, as the case may be, may vary significantly on one exchange versus the other. As such, no guarantee is given that investors will receive best pricing and execution on one market over another. We and our company accept no responsibility whatsoever with regards to the pricing of the Class A Shares and execution of trades therein on Euronext Amsterdam and the SFM, the pricing of the ZDP Shares and execution of trades therein on the SFM and the CISX, nor do we accept any responsibility for any pricing and/or execution variation between any of these exchanges. Investors are responsible for informing themselves as to the best pricing and execution available, in the case of the Class A Shares, on both Euronext Amsterdam and the SFM, and, in the case of the ZDP Shares, on both the SFM and the CISX.

The holders of ZDP Shares may not receive the final capital entitlement.

The holders of ZDP Shares may not receive the final capital entitlement and no guarantee is made by us or our company in relation to the payment thereof. The ZDP Shares, whilst ranking prior to the Class A Shares and the Class B Shares in respect of the repayment of up to 169.73 pence per ZDP Share from the assets of the investment portfolio, rank behind any borrowings of our company that remain outstanding. In addition, upon the occurrence of significant loss in value of the assets held in the investment portfolio, our company may be unable to pay the final capital entitlement or any part thereof to the holders of ZDP Shares.

Payment of the final capital entitlement to the holders of ZDP Shares may be dilutive to the NAV per Class A Share.

Payment of the final capital entitlement to the holders of the ZDP Shares may be dilutive to the NAV per Class A Share. Where our company does not generate investment returns in excess of the forecast gross redemption yield of 7.30% (in relation to which, no guarantee has been given) per annum (based on the issue price of the ZDP Shares), the NAV per Class A Share may be significantly diluted.

STATEMENT OF RESPONSIBILITY AND CERTAIN INFORMATION

Material Contracts

NBPE, NB PEP Investments LP (Incorporated) and the Investment Manager entered into that certain Investment Management and Services Agreement on 25 July 2007 (as amended and restated on 25 January 2008), whereby the Investment Manager, subject to the overall supervision of the Directors, was appointed as NBPE's investment manager. NBPE and Heritage International Fund Managers Limited entered into that certain Administration Agreement on 3 July 2007 (as amended by side letter on 22 June 2009), whereby NBPE appointed Heritage International Fund Managers Limited to act as administrator and company secretary to NBPE. NBPE, as general partner, and NB PEP Associates LP (Incorporated), as special limited partner, entered into that certain limited partnership agreement of NB PEP Investments LP (Incorporated) on 25 July 2007, as amended and restated on 16 July 2008. NBPE is party to a Share Buy-Back Agreement with JIL in relation to the on market repurchases of class A shares on behalf of NBPE. The Share Buy-Back Agreement was initially entered into between NBPE and The Royal Bank of Scotland N.V. (London Branch) ("RBS N.V.") on 22 October 2010 and was subsequently amended and extended on 30 August 2011, novated on 7 November 2011 from RBS N.V. to The Royal Bank of Scotland plc ("RBS plc") in respect of repurchases of shares made on the Specialist Fund Market only, and extended on 29 November 2011. The Share Buy-Back Agreement was then novated by RBS NV and RBS plc to JIL on 1 March 2012 and the Board of Directors has approved an extension of the share buyback program from 31 August 2012 to 30 November 2012; the documentation for such extension is currently in process.

Shareholdings of the Directors

Talmai Morgan (Chairman):	10,000 Class A Shares
John Buser:	10,000 Class A Shares
John Hallam:	10,000 Class A Shares
Christopher Sherwell:	9,150 Class A Shares
Peter Von Lehe:	7,500 Class A Shares

Major Shareholders

As of 30 June 2012, insofar as is known to NBPE, the following persons were interested, directly or indirectly, in 5% or more of the Class A Shares in issue (excluding Class A Shares held in treasury):

Class A Shareholder:	Lehman Brothers Offshore Partners Ltd.
Number of Class A Shares:	15,302,319

List of NBPE Subsidiaries

Name	Place of Incorporation (or Registration) and Operation	Proportion of Ownership Interest %
Directly Owned		
NB PEP Investments, LP (incorporated)	Guernsey	99.9%
Indirectly Owned		
NB PEP Investments Limited	Guernsey	100.0%
NB PEP Investments DE, LP	United States	100.0%
NB PEP Investments LP Limited	Guernsey	100.0%
NB PEP Investments I, LP (Incorporated)	Guernsey	100.0%
NB PEP Investments Limited	Guernsey	100.0%
Various holding entities for specific investments	United States	100.0%

STATEMENT OF RESPONSIBILITY AND CERTAIN INFORMATION

Certain Information

We are subject to The Netherlands Financial Supervision Act (*Wet op het financieel toezicht,* "Wft"), and we are registered with The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "AFM") as a collective investment scheme as meant in section 1:107 of the Wft. We are subject to certain ongoing requirements under the Wft, the Decree on Supervision of Conduct by Financial Enterprises (*Besluit Gedragstoezicht financiële ondernemingen* Wft) and the Decree on the Implementation Directive Transparency Issuing Entities (*Besluit uitvoeringsrichtlijn transparantie uitgevende instellingen Wft*, the "Wft Decree") relating to the disclosure of certain information to investors, including the publication of our financial statements.

Statement of Responsibility

We confirm that to the best of our knowledge:

- the financial statements have been prepared in conformity with an applicable set of accounting Standards;

- this report meets the requirements of an interim financial report and includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Talmai Morgan
Director

John Hallam
Director

Date: 24 August 2012

DIRECTORS, ADVISORS AND CONTACT INFORMATION

Ordinary Share Information
Trading Symbol: NBPE
Exchanges: Euronext Amsterdam by NYSE Euronext and the Specialist Fund Market of the London Stock Exchange
Euronext Amsterdam Listing Date: 25 July 2007
Specialist Fund Market Admission: 30 June 2009
Base Currency: USD
Bloomberg: NBPE NA, NBPE LN
Reuters: NBPE.AS, NBPE.L
ISIN: GG00B1ZBD492
COMMON: 030991001
Amsterdam Security Code: 600737

ZDP Share Information
Trading Symbol: NBPZ
Exchanges: Specialist Fund Market of the London Stock Exchange and the Daily Official List of the Channel Islands Stock Exchange
Admission Date: 1 December 2009
Base Currency: GBP
Bloomberg: NBPEGBP LN
Reuters: NBPEO.L
ISIN: GG00B4ZXGJ22
SEDOL: B4ZXGJ2

Board of Directors
Talmai Morgan (Chairman)
John Buser
John Hallam
Christopher Sherwell
Peter Von Lehe

Registered Office
NB Private Equity Partners Limited
P.O. Box 225
Heritage Hall, Le Marchant Street
St. Peter Port, Guernsey GY1 4HY
Channel Islands
Tel: +44-(0)1481-716000
Fax: +44 (0) 1481 730617

Investment Manager
NB Alternatives Advisers LLC
325 North St. Paul Street, Suite 4900
Dallas, TX 75201
United States of America
Tel: +1-214-647-9593
Fax: +1-214-647-9501
Email: pe_fundoffunds@nbalternatives.com

Guernsey Administrator
Heritage International Fund Managers Limited
Heritage Hall, Le Marchant Street
St. Peter Port, Guernsey GY1 4HY
Channel Islands
Tel: +44-(0)1481-716000
Fax: +44 (0) 1481 730617

Fund Service and Recordkeeping Agent
Capital Analytics II LLC
325 North St. Paul Street, Suite 4700
Dallas, TX 75201
United States of America

Independent Auditors and Accountants
KPMG Channel Islands Limited
P.O. Box 20
20 New Street
St. Peter Port, Guernsey GY1 4AN
Tel: +44 (0) 1481 721000
Fax: +44 (0) 1481 722373

Depositary Bank
The Bank of New York
101 Barclay Street, 22nd Floor
New York, NY 10286
United States of America
Tel: +1-212-815-2715
Fax: +1-212-571-3050

Paying Agent
Jefferies International Limited
68 Upper Thames Street
London EC4V 3BJ
Tel: +44 (0) 20 7029 8766

Joint Corporate Brokers
Oriel Securities Limited
125 Wood Street
London, EC2V 7AN
Tel: +44 (0) 20 7710 7600

Jefferies International Limited
68 Upper Thames Street
London EC4V 3BJ
Tel: +44 (0) 20 7029 8766

For general questions about NB Private Equity Partners Limited, please contact us at IR_NBPE@nb.com or at +1-214-647-9593.

The website address for NB Private Equity Partners Limited is www.nbprivateequitypartners.com.

NB PRIVATE EQUITY PARTNERS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2012

Independent Accountant's Report

The Board of Directors
NB Private Equity Partners Limited:

We have reviewed the accompanying consolidated balance sheet of NB Private Equity Partners Limited including the consolidated schedule of private equity investments, as of 30 June 2012, the related consolidated statement of operations and changes in net assets and the related consolidated statements of cash flows for the six-month periods ended 30 June 2012 and 30 June 2011. This interim financial information is the responsibility of the Company's management.

This report is made solely to the Company in accordance with the terms of our engagement dated 15 June 2012. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusion we have reached.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of NB Private Equity Partners Limited including the condensed consolidated schedule of private equity investments as of 31 December 2011, and the related consolidated statement of operations and changes in net assets and the related consolidated statements of cash flows for the year then ended; and in our report dated 12 March 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of 31 December 2011, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG Channel Islands Limited

KPMG CHANNEL ISLANDS LIMITED
Chartered Accountants
Guernsey

NB Private Equity Partners Limited

Consolidated Balance Sheets

30 June 2012 and 31 December 2011

Assets		2012 (Unaudited)		2011 (Audited)
Private equity investments				
(cost of $531,512,186 for 2012 and $493,864,537 for 2011)	$	576,526,150	$	538,393,517
Cash and cash equivalents		45,971,252		74,578,471
Restricted cash		3,364,018		3,364,018
Other assets		2,599,310		2,708,603
Total assets	**$**	**628,460,730**	**$**	**619,044,609**

Liabilities				
Liabilities:				
Zero dividend preference share liability	$	62,311,467	$	59,551,702
Payables to Investment Manager and affiliates		1,938,839		1,790,200
Accrued expenses and other liabilities		11,074,094		11,002,409
Net deferred tax liability		1,832,164		1,783,203
Total liabilities	**$**	**77,156,564**	**$**	**74,127,514**
Net assets				
Class A shares, $0.01 par value, 500,000,000 shares authorized,				
52,052,225 shares issued, and 48,901,817 shares outstanding for 2012				
(52,495,577 shares issued, and 49,345,169 shares outstanding for 2011)	$	520,522	$	524,956
Class B shares, $0.01 par value, 100,000 shares authorized,				
10,000 shares issued and outstanding		100		100
Additional paid-in capital		525,970,097		529,079,201
Retained earnings (deficit)		33,505,858		24,014,750
Less cost of treasury stock purchased (3,150,408 shares)		(9,248,460)		(9,248,460)
Total net assets of the controlling interest		550,748,117		544,370,547
Net assets of the non-controlling interest		556,049		546,548
Total net assets	**$**	**551,304,166**	**$**	**544,917,095**
Total liabilities and net assets	**$**	**628,460,730**	**$**	**619,044,609**
Net asset value per share for Class A and Class B shares	**$**	**11.26**	**$**	**11.03**
Net asset value per zero dividend preference share (Pence)		**119.98**		**115.83**

The accounts were approved by the board of directors on 24 August 2012 and signed on its behalf by

Talmai Morgan **John Hallam**

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent accountants' review report.

NB Private Equity Partners Limited

Consolidated Condensed Schedules of Private Equity Investments

30 June 2012 and 31 December 2011

Private equity investments		Cost		Fair Value		Unfunded Commitment		Private Equity Exposure
2012 (Unaudited)								
Fund investments	$	350,078,840	$	397,749,653	$	96,116,182	$	493,865,835
Direct co-investments-equity		143,315,246		140,533,291		208,417,316		348,950,607
Direct co-investments-debt		38,118,100		38,243,206		N/A		38,243,206
	$	**531,512,186**	**$**	**576,526,150**	**$**	**304,533,498**	**$**	**881,059,648**
2011 (Audited)								
Fund investments	$	361,090,441	$	401,536,989	$	105,019,241	$	506,556,230
Direct co-investments-equity		101,091,022		105,472,779		201,281,082		306,753,861
Direct co-investments-debt		31,683,074		31,383,749		N/A		31,383,749
	$	**493,864,537**	**$**	**538,393,517**	**$**	**306,300,323**	**$**	**844,693,840**

Private equity investments in excess of 5% of net asset value		Fair Value
2012 (Unaudited)		
NB Crossroads Fund XVII	$	34,770,974
NB Crossroads Fund XVIII		
Large-cap Buyout		11,330,150
Mid-cap Buyout		30,667,524
Special Situations		8,808,721
Venture		9,896,731
		60,703,126
Centerbridge Credit Partners Fund, L.P.		33,710,656
2011 (Audited)		
NB Crossroads Fund XVII	$	35,953,112
NB Crossroads Fund XVIII		
Large-cap Buyout		11,074,039
Mid-cap Buyout		31,356,530
Special Situations		9,050,955
Venture		9,465,028
		60,946,552
Centerbridge Credit Partners Fund, L.P.		32,136,572

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent accountants' review report.

NB Private Equity Partners Limited

Consolidated Condensed Schedules of Private Equity Investments

30 June 2012 and 31 December 2011

Geographic diversity of private equity investments [1]		Fair Value 2012 (Unaudited)		Fair Value 2011 (Audited)
North America	$	464,032,031	$	423,252,623
Europe		74,479,592		91,559,644
Asia / Rest of World		35,595,629		16,528,161
Not classified		2,418,898		7,053,089
	$	**576,526,150**	**$**	**538,393,517**

Industry diversity of private equity investments [2]	Fair Value 2012 (Unaudited)	Fair Value 2011 (Audited)
Diversified / Undisclosed / Other	23.1%	26.0%
Financial Services	11.7%	11.9%
Industrials	11.6%	11.2%
Consumer / Retail	10.4%	9.0%
Business Services	10.1%	3.3%
Energy / Utilities	9.8%	13.5%
Communications / Media	8.0%	8.3%
Technology / IT	6.6%	5.6%
Healthcare	6.3%	7.0%
Transportation	2.4%	4.2%
	100.0%	**100.0%**

Asset class diversification of private equity investments [3]	Fair Value 2012 (Unaudited)	Fair Value 2011 (Audited)
Large-Cap Buyout	8.4%	8.6%
Large-Cap Buyout Co-Invest	7.8%	8.1%
Mid-cap Buyout	18.1%	20.7%
Mid-cap Buyout Co-Invest	15.8%	12.3%
Special Situation	29.8%	31.6%
Special Situation Co-Invest	8.4%	6.1%
Growth/Venture	7.6%	8.0%
Secondary Purchases	4.1%	4.6%
	100.0%	**100.0%**

[1]: Geography is determined by location of the headquarters of the underlying portfolio companies in funds and direct co-investments. A portion of our fund investments may relate to cash, or other assets or liabilities that they hold and for which we do not have adequate information to assign a geographic location.

[2]: Industry diversity is based on underlying portfolio companies and direct co-investments.

[3]: Asset class diversification is based on the net asset value of underlying fund investments and co-investments.

The accompanying notes are an integral part of the consolidated financial statements.

See accompanying independent accountants' review report.

NB Private Equity Partners Limited

Consolidated Statements of Operations and Changes in Net Assets

For the Six Month Periods Ended 30 June 2012 and 2011

(Unaudited)

	2012	2011
Interest and dividend income	$ 3,567,978	$ 3,251,117
Expenses		
Carried interest	-	2,321,431
Investment management and services	3,948,356	3,570,548
Administration and professional	1,032,809	1,419,080
Finance costs		
Zero dividend preference shares	2,272,906	2,131,102
Credit facility	703,521	724,596
	7,957,592	10,166,757
Net investment income (loss)	**$ (4,389,614)**	**$ (6,915,640)**
Realized and unrealized gains (losses)		
Net realized gain (loss) on investments, net of tax expense of $3,374,669 for 2012 and $2,606,549 for 2011	$ 13,679,634	$ 21,317,456
Net change in unrealized gain (loss) on investments, net of tax expense of $48,961 for 2012 and $73,878 for 2011	210,589	12,820,590
Net realized and unrealized gain (loss)	13,890,223	34,138,046
Net increase (decrease) in net assets resulting from operations	$ 9,500,609	$ 27,222,406
Less net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	9,501	29,544
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$ 9,491,108**	**$ 27,192,862**
Net assets at beginning of period attributable to the controlling interest	544,370,547	526,936,428
Less cost of stock repurchased and cancelled (443,352 shares for 2012 and 504,810 shares for 2011)	3,113,538	3,759,966
Net assets at end of period attributable to the controlling interest	**$ 550,748,117**	**$ 550,369,324**
Earnings (loss) per share for Class A and Class B shares of the controlling interest	***$ 0.19***	***$ 0.54***

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent accountants' review report.

NB Private Equity Partners Limited

Consolidated Statements of Cash Flows

For the Six Month Periods Ended 30 June 2012 and 2011

(Unaudited)

		2012		2011
Cash flows from operating activities:				
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$	9,491,108	$	27,192,862
Net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest		9,501		29,544
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:				
Net realized (gain) loss on investments		(13,679,634)		(21,317,456)
Net change in unrealized (gain) loss on investments		(210,589)		(12,820,590)
In-kind payment of interest income		(680,058)		(425,906)
Amortization of finance costs		430,662		432,718
Change in restricted cash		(3,364,018)		(396,980)
Change in other assets		(213,390)		2,077,483
Change in payables to Investment Manager and affiliates		148,639		1,209,544
Change in accrued expenses and other liabilities		1,901,911		(167,765)
Net cash provided by (used in) operating activities		(6,165,868)		(4,186,546)
Cash flows from investing activities:				
Distributions from private equity investments		43,680,176		42,883,373
Proceeds from sale of private equity investments		10,333,578		84,338,646
Contributions to private equity investments		(12,480,149)		(20,714,970)
Purchases of private equity investments		(64,225,436)		(24,138,890)
Net cash provided by (used in) investing activities		(22,691,831)		82,368,159
Cash flows from financing activities:				
Stock repurchased and cancelled		(3,113,538)		(3,717,253)
Credit facility loan payments		-		(47,500,000)
Net cash provided by (used in) financing activities		(3,113,538)		(51,217,253)
Net increase (decrease) in cash and cash equivalents		**(31,971,237)**		**26,964,360**
Cash and cash equivalents at beginning of period		77,942,489		47,556,616
Cash and cash equivalents at end of period	**$**	**45,971,252**	**$**	**74,520,976**
Supplemental cash flow information				
Interest paid	**$**	**-**	**$**	**65,233**
Net taxes paid	**$**	**2,666,129**	**$**	**1,397,005**
Supplemental non-cash flow investing activities				
Payable for investment purchased	**$**	**3,364,018**	**$**	**-**

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent accountants' review report.

Note 1 – Organization

NB Private Equity Partners Limited and its subsidiaries (the "Company", "We", or "Our") is a closed-end investment company registered in Guernsey. Our registered office is Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY. We invest in private equity through private equity funds and co-investments. We may also make opportunistic investments. Our Class A shares are listed and admitted to trading on Euronext Amsterdam by NYSE Euronext and on the Specialist Fund Market of the London Stock Exchange plc under the symbol "NBPE". Our zero dividend preference shares (see note 6) are listed and admitted to trading on the Daily Official List of the Channel Islands Stock Exchange and the Specialist Fund Market of the London Stock Exchange under the symbol "NBPZ".

Our Class B shares were contributed at the time of our initial public offering to a Guernsey charitable trust whose trustee is Heritage Corporate Services Limited ("Trustee"). Class B shares have the right to elect all of our directors and make most other decisions usually made by shareholders. The voting rights of Class A shares are limited to special consent rights involving specified events including merger, change in investment manager or investment policy, certain additional share issuances and certain material related party transactions as well as other events as described in our memorandum and articles of incorporation. Each Class A and B share participates equally in profits and losses.

The Company is managed by NB Alternatives Advisers LLC ("NB Alternatives" or "Investment Manager") pursuant to an investment management and services agreement. NB Alternatives is a subsidiary of Neuberger Berman Group LLC ("NBG").

Note 2 – Summary of Significant Accounting Policies and Risks

Basis of Presentation

These consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss and are in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as allowed by rules published in the Netherlands to effect implementation of the EU Transparency Directive. These financial statements are presented in United States dollars.

Market Risk

The Company's exposure to financial risks is both direct (through its holdings of assets and liabilities directly subject to these risks) and indirect (through the impact of these risks on the overall valuation of its investments). The Company's investments are generally not traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The partnership investments of the Company each hold a portfolio of investments in underlying companies. These portfolio company investments vary as to type of security held by the underlying partnership (debt or equity, publicly traded or privately held), stage of operations, industry, geographic location, and geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to market price risk.

Market conditions for publicly traded and privately held investments in portfolio companies held by the partnerships may affect their value in a manner similar to the potential impact on direct co-investments made by the Company in publicly traded and privately held securities. The partnership investments of the Company may also hold financial instruments (including debt and derivative instruments) in addition to their investments in portfolio companies that are susceptible to market price risk and therefore may also affect the value of the Company's investment in the partnerships. As with any individual investment, market prices may vary from composite index movements.

Credit Risk

Credit risk is the risk of losses due to the failure of counterparty to perform according to the terms of a contract. The Company may invest in a range of debt securities directly or in funds which do so. Until such investments are sold or are paid in full at maturity, the Company is exposed to credit risk relating to whether the issuer will meet its obligations when the securities come due. Distressed debt securities by nature are securities in companies which are in default or are heading into default and will expose the Company to a higher than normal amount of credit risk.

The cash and other liquid securities held can subject the Company to a concentration of credit risk. The Investment Manager attempts to mitigate the credit risk that exists with cash deposits and other liquid securities by regularly monitoring the credit ratings of such financial institutions and evaluating from time to time whether to hold some of the Company's cash and cash equivalents in U.S. Treasuries or other highly liquid securities.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Investment Manager mitigates this risk by monitoring the sufficiency of cash balances and availability under the credit facility to meet expected liquidity requirements for investment funding and operating expenses.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Because of the inherent uncertainty of such estimates, including estimates of values of investments as described above, amounts ultimately determined may differ from our current estimates and such differences may be significant.

Principles of Consolidation

The consolidated financial statements include accounts of the Company consolidated with the accounts of all its subsidiaries in which we hold a controlling financial interest as of the financial statement date. All material inter-company balances have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents are valued at cost plus accrued interest, which approximates fair value. These balances represent amounts held with financial institutions that are readily accessible to pay expenses or fund investments. As of 30 June 2012 and 31 December 2011, $49,355,270 and $77,942,489 (including restricted cash) are held with JPMorgan Chase, respectively.

Restricted Cash

As of 30 June 2012 and 31 December 2011, we are required to maintain a cash balance of at least $3,364,018 by an investment purchase agreement with a deferred payment provision.

Valuation of Investments

The Company carries private equity investments on its books at fair value in accordance with U.S. GAAP. We use the best information we have reasonably available to determine or estimate fair value. Publicly traded securities are valued based on quoted prices as of the last day of the relevant period less discounts to reflect legal restrictions associated with the securities, if any, that affect marketability. We determine such values for publicly traded securities held directly as well as known public positions held in the underlying private equity investments on a look-through basis. We estimate fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or the lead investor of a direct co-investment, and considers subsequent transactions, such as drawdowns or distributions, as well as other information judged to be reliable that reports or indicates valuation changes, including realizations and other portfolio company events. If we conclude that it is probable that we will sell an investment, we adjust our carrying value to the amount we expect to realize from the sale, exclusive of transaction costs.

We have adopted FASB ASU No. 2011-04, Fair Value Measurement (Topic 820) – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs ("ASU 2011-04"). The new guidance has no significant effect on these financial statements. See note 4 for additional disclosures related to ASU 2011-04.

Because of their inherent uncertainty, the fair values we use may differ significantly from the values that would have been used had a ready market for these investments existed, and such differences could be material to the consolidated financial statements.

Investment Income

We earn interest and dividends from our direct investments in private equity, from the underlying portfolio companies of investments in private equity funds, and from our cash and cash equivalents. We record dividends when they are declared and interest when earned, provided we know the information or are able to reliably estimate it. Otherwise, we record the investment income when it is reported to us by the private equity investments.

Operating Expenses

Operating expenses are recognized when incurred. Operating expenses include amounts directly incurred by the Company as part of its operations, and do not include amounts incurred from the operations of our investments.

Realized Gains and Losses on Investments

For investments in private equity funds, we record our share of realized gains and losses incurred when we know that the private equity fund has realized its interest in a portfolio company and we have sufficient information to quantify the amount. For all other investments, we record realized gains and losses when the asset is realized and on the trade date. For all investments, realized gains and losses are recorded on a specific identification cost basis.

Net Change in Unrealized Gains and Losses of Investments

Gains and losses arising from changes in value are recorded as an increase or decrease in the unrealized gains or losses of investments based on the methodology described above.

Carried Interest

Carried interest amounts due the Investment Manager (see note 3) are computed and accrued at each period end based on period-to-date results in accordance with the terms of the agreements.

Currency Translation

Investments denominated in a currency other than U.S. dollars are translated into U.S. dollar equivalents using spot rates as of the valuation date. The Company does not separate the changes relating to currency exchange rates from those relating to changes in the fair value of the investments held. These fluctuations are combined and included in the net change in unrealized gain (loss) on investments in the Consolidated Statements of Operations and Changes in Net Assets. For the six month period ended 30 June 2012, the effect of translation to U.S. dollars decreased valuations of foreign investments by approximately $412,501. For the six month period ended 30 June 2011, the effect of translation to U.S. dollars increased valuations of foreign investments by approximately $1,748,968.

The Company has unfunded commitments denominated in a currency other than U.S. dollars. These unfunded commitments are in Euro and amounted to €3,877,581 at 30 June 2012 and €5,096,820 at 31 December 2011; they have been included in the Consolidated Condensed Schedules of Private Equity Investments at the U.S. dollar exchange rate in effect at 30 June 2012 and 31 December 2011. The effect on the unfunded commitment of the change in the exchange rate between Euros and U.S. dollars was a decrease in the U.S. dollar obligation of $127,807 and $224,289, for 30 June 2012 and 31 December 2011 respectively.

Income Taxes

The Company is registered in Guernsey as an exempt company. The States of Guernsey Income Tax Authority has granted the Company an exemption from Guernsey income tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and the Company has been charged an annual exemption fee of £600.

Generally, income that we derive from our investments may be subject to taxes imposed by the U.S. or other countries and will impact our effective tax rate.

Investments made in entities that generate U.S. source investment income may subject the Company to certain U.S. federal and state income tax consequences. A U.S. withholding tax at the rate of 30 percent may be applied on the Company's distributive share of any U.S. source dividends and interest (subject to certain exemptions) and certain other income that we receive directly or through one or more entities treated as either partnerships or disregarded entities for U.S. federal income tax purposes.

Investments made in entities that generate business income that is effectively connected with a U.S. trade or business may subject the Company to certain U.S. federal and state income tax consequences. Generally the U.S. imposes withholding tax on effectively connected income at the highest U.S. rate (generally 35 percent). In addition, we may also be subject to a branch profits tax which can be imposed at a rate of up to 30 percent of the after-tax profits treated as effectively connected income associated with a U.S. trade or business. As such, the aggregate U.S. tax liability on effectively connected income may approximate 54.5 percent given the two levels of tax.

We recognize a tax benefit in the financial statements only when it is more likely than not that the position will be sustained upon examination by the relevant taxing authority based on the technical merits of the position. To date, we have not provided any reserves for taxes as all related tax benefits have been fully recognized. Although we believe we have adequately assessed for our uncertain tax positions, we acknowledge that these matters require significant judgment and no assurance can be given that the final tax outcome of these matters will not be different.

Deferred taxes are recorded to reflect the tax benefit and consequences of future years' differences between the tax basis of assets and liabilities and their financial reporting basis. We record a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. We record the tax associated with any transactions with U.S. or other tax consequences when we recognize the related income.

Shareholders in certain jurisdictions may have individual income tax consequences from ownership of our shares. We have not accounted for any such tax consequences in these financial statements. For example, we expect the Company and certain of its non-U.S. corporate subsidiaries to be treated as passive foreign investment corporations ("PFICs)" under U.S. tax rules. For this purpose, the PFIC regime should not give rise to additional tax at the level of the Company or its subsidiaries. Instead, certain U.S. investors in the Company may need to make tax elections and comply with certain U.S. reporting requirements related to their investments in the PFICs in order to potentially manage the adverse tax consequences associated with the regime.

Forward Foreign Exchange Contracts

Forward foreign exchange contracts are reported at fair value. See note 7.

Forward foreign exchange contracts involve elements of market risk in excess of the amounts reflected on the consolidated financial statements. We bear the risk of an unfavorable change in the foreign exchange rate underlying the forward foreign exchange contract as well as risks from the potential inability of the counterparties to meet the terms of their contracts.

Reclassifications

Certain amounts in the 2011 financial statements have been reclassified to conform to the 2012 presentation.

Note 3 – Agreements, including related party transactions

Management and Administration

We pay the Investment Manager a management fee calculated at the end of each calendar quarter equal to 37.5 basis points (150 basis points per annum) of the net asset value of our private equity and opportunistic investments. For purposes of this computation, the net asset value is reduced by the net asset value of any investment for which the Investment Manager is separately compensated as investment manager. For the six month periods ended 30 June 2012 and 2011, the management fee expenses were $3,654,905 and $3,301,467, respectively.

We also pay the Investment Manager for certain accounting and administrative services at the rate of 2.5 basis points per quarter (10 basis points per annum) applied to the net asset value of our private equity and opportunistic investments at the end of each calendar quarter, computed as described above. The amounts incurred by the Company for the six month periods ended 30 June 2012 and 2011 for these services were $293,451 and $269,081 respectively.

We pay to Heritage International Fund Managers Limited ("Heritage"), an affiliate of the Trustee, a fee for providing certain administrative functions relating to certain corporate services and Guernsey regulatory matters affecting the Company. Fees for these services are paid as invoiced by Heritage. We paid Heritage $66,431 and $71,049 for the six month periods ended 30 June 2012 and 2011, respectively, for such services.

For the six month periods ended 30 June 2012 and 2011, we paid our independent directors a total of $97,500 and $97,500 respectively.

Expenses related to the Investment Manager are included in investment management and services in the consolidated statements of operations and changes in net assets. Administration and professional expenses include fees for directors, audit and tax, trustee, legal, listing, and other items.

Special Limited Partner's Noncontrolling Interest in Subsidiary

An affiliate of the Investment Manager is a Special Limited Partner in a consolidated partnership subsidiary. At 30 June 2012 and 31 December 2011, the noncontrolling interest of $556,049 and $546,548 represented the Special Limited Partner's capital contribution to the partnership subsidiary and income allocation, respectively. The amount of the noncontrolling ownership interest in the subsidiary was agreed between the General Partner and Special Limited Partner of the subsidiary.

The following table reconciles the carrying amount of net assets, net assets attributable to the controlling interest and net assets attributable to the noncontrolling interest at 30 June 2012 and 31 December 2011.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2010	$ 526,936,428	$ 518,792	$ 527,455,220
Net increase (decrease) in net assets resulting from operations	27,727,768	27,756	27,755,524
Stock repurchased and cancelled	(10,293,649)	-	(10,293,649)
Net assets balance, 31 December 2011	**$ 544,370,547**	**$ 546,548**	**$ 544,917,095**
Net increase (decrease) in net assets resulting from operations	9,491,108	9,501	9,500,609
Stock repurchased and cancelled	(3,113,538)	-	(3,113,538)
Net assets balance, 30 June 2012	**$ 550,748,117**	**$ 556,049**	**$ 551,304,166**

Carried Interest

The Special Limited Partner is entitled to a carried interest in an amount that is, in general, equal to 7.5 percent of our consolidated net increase in net assets resulting from operations for a fiscal year in the event that our internal rate of return for such period, based on our net asset value, exceeds 7.5 percent. If losses are incurred for a period, no carried interest is earned and such loss amounts are carried forward to be included in the calculations for future periods. Carried interest is reduced by the amount of carried interest that we paid during the period on any investment for which the Investment Manager serves as investment manager. Carried interest is also accrued and paid on any economic gain that we realize on treasury stock transactions. (See note 10). Carried interest is accrued periodically and paid at the conclusion of the fiscal year. As of 30 June 2012 and 2011, $0 and $2,321,431 carried interest were accrued, respectively.

Shares Owned by Lehman Brothers

Lehman Brothers Holdings Inc. and/or one or more related entities owns 15,302,319 shares of our Class A shares, most of which were acquired at the initial public offering. Resale of these shares is not restricted.

Investments with the Investment Manager's Platform

The Company holds limited partner interests in private equity funds of funds managed and sponsored by the Investment Manager. These investments are excluded from the calculation of management fees. As of 30 June 2012 and 31 December 2011, the aggregate net asset value of these funds was approximately $95.5 million and $96.9 million, respectively, and associated unfunded commitments were $16.4 million and $19.7 million, respectively.

We own a 50% interest in NB Fund of Funds Secondary 2009 LLC ("NBFOFS"). Other funds managed by the Investment Manager own the remaining interest. NBFOFS holds a portfolio of private equity funds acquired in a secondary transaction. NBFOFS pays no fees or carry and we bear our share of any direct expenses of NBFOFS.

As of 30 June 2012, we have committed $200 million and funded $40.5 million to the NB Alternatives Direct Co-investment Program and committed $50 million and funded $2.8 million to the NB Healthcare Credit Investment Program. These programs will not result in any duplicative Neuberger Berman investment management fees and carry charged to NBPE.

Note 4 – Fair Value of Financial Instruments

We categorize our investments and other financial instruments as follows based on inputs to valuation techniques.

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity).

The following tables detail the Company's financial assets and liabilities that were accounted for at fair value as of 30 June 2012 and 31 December 2011 by level. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Assets (Liabilities) Accounted for at Fair Value			
As of 30 June 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 45,971,252	$ -	$ -	$ 45,971,252
Restricted cash	3,364,018	-	-	3,364,018
Private equity investments	2,843,535	4,292,638	569,389,977	576,526,150
Forward foreign exchange contract	-	-	(2,173,105)	(2,173,105)
Totals	**$ 52,178,805**	**$ 4,292,638**	**$ 567,216,872**	**$ 623,688,315**
As of 31 December 2011				
Cash and cash equivalents	$ 74,578,471	$ -	$ -	$ 74,578,471
Restricted cash	3,364,018	-	-	3,364,018
Private equity investments	3,509,338	-	534,884,179	538,393,517
Forward foreign exchange contract	-	-	(2,569,077)	(2,569,077)
Totals	**$ 81,451,827**	**$ -**	**$ 532,315,102**	**$ 613,766,929**

The Company has assessed its positions and concluded that all of its private equity investments are classified as level 3 with the following exceptions. As of 30 June 2012, one publicly traded co-investment is classified as level 1 and one publicly traded co-investment in which we hold common share equivalents is classified as level 2. As of 31 December 2011, one publicly traded co-investment is classified as level 1.

One co-investment was transferred from level 3 to level 2 during 2012 as a result of the completion of an initial public offering in 2012 and the resulting availability of comparable quoted prices in active markets for those securities. One co-investment was transferred from Level 3 to Level 1 during 2011 as a result of the completion of an initial public offering in 2011 and the resulting availability of quoted prices in active markets for those securities. There were no transfers between level 1 and level 2 during the six month period ended 30 June 2012 or the year ended 31 December 2011. The Company accounts for transfers at the end of the reporting period in which such transfers occur.

The following table summarizes the changes in the fair value of the Company's level 3 private equity investments for the six month period ended 30 June 2012.

(dollars in thousands)

	For the Six Month Period Ended 30 June 2012						
	Large-cap Buyout	**Mid-cap Buyout**	**Special Situations**	**Growth/ Venture**	**Diversified**	**Secondary Purchases**	**Private Equity Investments**
Balance, 31 December 2011	$ 79,072	$ 172,386	$ 203,561	$ 28,265	$ 35,952	$ 15,648	$ 534,884
Purchases of investments and/or contributions to investments	4,295	41,878	24,657	3,418	1,066	418	75,732
Realized gain (loss) on investments	1,510	7,067	6,511	1,883	1,176	217	18,364
Changes in unrealized appreciation (depreciation) of investments (including changes related to investments still held at the reporting date)	1,968	(5,470)	9,974	383	734	319	7,907
Changes in unrealized appreciation (depreciation) of investments sold during the year		-	-	-	-	-	-
Distributions from investments	(3,276)	(18,060)	(24,392)	(4,738)	(4,158)	(1,825)	(56,449)
Transfers in and/or (out) of level 3		(11,049)	-	-	-	-	(11,049)
Balance, 30 June 2012	**$ 83,569**	**$ 186,751**	**$ 220,311**	**$ 29,212**	**$ 34,770**	**$ 14,777**	**$ 569,390**
Fund investments	$ 42,561	$ 105,428	$ 171,910	$ 28,305	$ 34,771	$ 14,775	$ 397,750

NB Private Equity Partners Limited

Notes to Financial Statements

30 June 2012 (Unaudited) and 31 December 2011 (Audited)

See accompanying independent accountants' review report

The following table summarizes the changes in the fair value of the Company's level 3 private equity investments for the year ended 31 December 2011.

(dollars in thousands)

For the Year Ended 31 December 2011	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Diversified	Secondary Purchases	Private Equity Investments
Balance, 31 December 2010	$ 137,043	$ 183,922	$ 199,664	$ 27,656	$ 36,478	$ 6,676	$ 591,439
Purchases of investments and/or contributions to investments	21,310	9,883	35,396	5,968	2,349	7,979	82,885
Realized gain (loss) on investments	(5,405)	22,624	26,314	4,249	1,233	718	49,733
Changes in unrealized appreciation (depreciation) of investments (including changes related to investments still held at the reporting date)	(4,416)	(1,557)	(15,656)	(1,408)	2,762	1,324	(18,951)
Changes in unrealized appreciation (depreciation) of investments sold during the year	10,159	-	-	-	-	-	10,159
Distributions from investments	(75,619)	(42,486)	(42,157)	(8,200)	(6,870)	(1,049)	(176,381)
Transfers in and/or (out) of level 3	(4,000)	-	-	-	-	-	(4,000)
Balance, 31 December 2011	**$ 79,072**	**$ 172,386**	**$ 203,561**	**$ 28,265**	**$ 35,952**	**$ 15,648**	**$ 534,884**

The following table summarizes the valuation methodologies and inputs used for private equity investments categorized in Level 3 as of 30 June 2012.

(dollars in thousands) Private Equity Investments		Fair Value 30 June, 2012	Valuation Methodologies	Unobservable Inputs	Ranges
Fund investments	$	397,750	See note 2	Net Asset Value	N/A
Direct co-investments - equity					
Large-cap Buyout		41,009	Market Comparable Companies	EBITDA Multiple	6.7x - 11.9x
Mid-cap Buyout		81,321	Market Comparable Companies	Book Value Multiple	1.3x
				EBITDA Multiple	6.8x - 12.9x
				LTM EBITDA Multiple	7.2x - 8.5x
				Normalized EBITDA Multiple	12.1x
				Pro Forma EBITDA Multiple	6.8x
Special Situations		10,160	Market Comparable Companies	EBITDA Multiple	3.9x
				Expected Exit Value IRR	19%
Growth/ Venture		907	Market Comparable Companies	LTM Revenue Multiple	1.8x
Direct co-investments - debt					
Special Situations		26,396	Market Comparable Companies	Yield to Maturity IRR	11% - 20%
	$	11,847	Discounted Cash Flows	Discount Rate	11% - 17%
				Revenue CAGR	-0.2% - 4%

The significant unobservable input used in the fair value measurement of private equity funds is reported net asset value. For direct co-investments equity, the significant unobservable inputs are EBITDA multiples, book value multiples, expected exit value IRR, and revenue multiples. For direct co-investments debt, the significant unobservable inputs are yield to maturity IRR, discount rates, and revenue CAGR. Increases (decreases) in any of EBITDA multiples, book value multiples, expected exit value IRR, revenue multiples, yield to maturity IRR, and revenue CAGR in isolation can result in a higher (lower) fair value measurement. Increases (decreases) in discount rates in isolation can result in a lower (higher) fair value measurement.

Since 31 December 2011, there have been no changes in valuation methodologies within Level 2 and Level 3 that have had a material impact on the valuation of financial instruments.

Generally, our private equity investments have a defined term and no right to withdraw. We receive distributions as the underlying investments are liquidated. The pace of liquidation depends on a number of factors. We estimate that the liquidation of our current portfolio will continue for another 10-15 years.

Our special situations investments include hedge funds valued at approximately $47.8 million and $45.5 million at 30 June 2012 and 31 December 2011 respectively. As of 30 June 2012, one hedge fund amounting to $14.1 million is redeemable quarterly with a 60 day advance notice. Another hedge fund amounting to $33.7 million is not redeemable for the first two to three years following investment, and has rolling two year lock-up periods thereafter. Hedge funds generally have a right to restrict redemptions in order to avoid a forced sale of underlying assets.

Note 5 – Credit Facility

A subsidiary of the Company has entered into an agreement with Lloyds Banking Group (Bank of Scotland) regarding a senior secured revolving credit facility ("Facility") of up to $250 million. The term of the Facility is seven years and expires in August 2014. At 30 June 2012 and 31 December 2011, $0 and $0 were outstanding and substantially all assets are pledged pursuant to the following:

- a security interest in the Company's interest in substantially all eligible funds or co-investments
- an undertaking to dispose of the Company's assets in the event of continued default
- a security interest in the Company's bank accounts
- a pledge over the share capital of any current or future subsidiary of the Company, provided such an arrangement would not violate the terms of the investment
- an assignment by the Company over future cash flows of its private equity investments
- a negative pledge by the Company in respect of the general partnership interests held
- an assignment of the Company's rights under any key transactional documents entered into by the Company

The Company is required to meet certain portfolio diversification tests, a minimum fund/co-investment threshold, maximum exposure limitations, a maximum debt to value ratio, a maximum debt to secured assets ratio and a maximum over-commitment test. In addition, the Facility limits the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers, repurchase of shares, liens or other matters customarily restricted in such agreements. The zero dividend preference shares (note 6) and the forward foreign exchange contract (note 7) are compliant with the credit facility agreement. At 30 June 2012 and 31 December 2011, the Company met all requirements under the Facility.

All borrowings under the Facility bear interest at a floating rate, calculated as LIBOR or Euribor, as appropriate, plus 1.35% per annum.

In addition, we are required to pay a non-utilization fee calculated as 40 basis points per annum on the daily balance of the unused Facility amount. For the six month period ended 30 June 2012, we incurred and expensed $0 for interest and $505,555 for non-utilization fees related to the Facility. For the six month period ended 30 June 2011, we incurred and expensed $25,481 for interest and $496,667 for non-utilization fees related to the Facility. As of 30 June 2012 and 31 December 2011, unamortized capitalized debt issuance costs (included in other assets) were $802,740 and $1,000,706 respectively. Capitalized amounts are being amortized on a straight-line basis over the term of the Facility. Such amortization amounted to $197,966 and $196,878 for the six month periods ended 30 June 2012 and 2011, respectively.

An active market for debt that is similar to that of the Facility does not exist. Management estimates the fair value of the Facility based on comparison to debt instruments with comparable characteristics. Management has estimated that the fair values of the Facility, based on the balance outstanding, are approximately $0 and $0 at 30 June 2012 and 31 December 2011 respectively.

Note 6 – Zero Dividend Preference Shares

On 30 November 2009 the Company issued 30,000,000 zero dividend preference shares ("ZDP Shares"). On 16 April 2010 the Company issued additional 2,999,999 ZDP Shares. The additional ZDP Shares rank pari passu with the first ZDP Shares. The holders of the ZDP Shares are entitled to a redemption amount of 100.0 pence per ZDP Share as increased daily at such a daily compound rate as would give a final entitlement of 169.73 pence on 31 May 2017, resulting in an effective interest rate of 7.3% annually. The ZDP shares rank prior to the class A and B shares in respect of repayment of the final entitlement. However, they rank behind any borrowings that remain outstanding. They carry no entitlement to income and their entire return takes the form of capital.

The following table reconciles the liability for ZDP shares for the six month period ended 30 June 2012 and the year ended 31 December 2011.

Zero dividend preference shares	Pounds Sterling		U.S. Dollars	
Liability, 31 December 2010	£	35,724,298	$	55,726,333
Accrued interest		2,602,071		4,085,080
Unamortized premium		(9,742)		(15,216)
Currency conversion		-		(244,495)
Liability, 31 December 2011	£	38,316,627	$	59,551,702
Accrued interest		1,367,642		2,147,105
Premium amortization		(5,545)		(8,746)
Currency conversion		-		621,406
Liability, 30 June 2012	£	39,678,724	$	62,311,467

As of 30 June 2012 and 31 December 2011, the fair value of the ZDP shares is $67,888,390 and $66,162,292, respectively.

Capitalized offering costs are being amortized using the effective interest rate method. The unamortized balance at 30 June 2012 and 31 December 2011 is $1,346,422 and $1,480,969, respectively.

Note 7 – Forward Foreign Exchange Contract

The Company entered into a forward foreign exchange contract to economically hedge, in part, the currency risk associated with the pounds sterling contractual liability for the ZDP shares.

The contract provides that we will purchase £40,000,000 on 17 May 2017 for $64,820,000 from the Lloyds Banking Group (Bank of Scotland). The contract further provides that the security interests granted to the bank under the credit facility as described in note 5 also apply to any amounts we may owe the bank pursuant to this contract. As of 30 June 2012 and 31 December 2011, the fair value of the forward foreign exchange contract was a liability of $2,173,105 and $2,569,077 included in accrued expenses and other liabilities in the consolidated balance sheets. The change in unrealized loss on the Forward Foreign Exchange Contract for the six month periods ended 30 June 2012 and 2011 is $395,972 and $1,302,049, respectively. Actual trade prices or firm bids may vary significantly from the valuation because of factors including hedging and transaction costs, credit considerations, bid-ask spreads, position size and market liquidity.

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Notes to Financial Statements

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See accompanying independent accountants' review report

Note 8 – Income Taxes

The Company is exempt from Guernsey tax on income derived from non-Guernsey sources. However, certain of its underlying investments generate income that is subject to tax in other jurisdictions, principally the United States. The Company has recorded the following amounts related to such taxes:

	30 June 2012	30 June 2011
Current tax expense	$ 3,374,669	$ 2,606,549
Deferred tax expense (benefit)	48,961	73,878
Total tax expense (benefit)	$ 3,423,630	$ 2,680,427

	30 June 2012	31 December 2011
Gross deferred tax assets	$ 1,512,071	$ 1,184,461
Valuation allowance	(1,257,839)	(930,229)
Net deferred tax assets	254,232	254,232
Gross deferred tax liabilities	2,086,396	2,037,435
Net deferred tax liabilities	**$ 1,832,164**	**$ 1,783,203**

Current tax expense is reflected in net realized gains and deferred tax expense (benefit) is reflected in net changes in unrealized gains on the consolidated statements of operations. Net deferred tax liabilities are related to net unrealized gains and gross deferred tax assets, offset by a valuation allowance, are related to unrealized losses on investments held in entities that file separate tax returns.

The Company has no gross unrecognized tax benefits. The Company has been audited by the IRS for the tax year ended 30 November 2007; the audit resulted in no change to the tax the Company reported. The years subsequent to 2007 remain subject to examination.

Note 9 – Earnings (Loss) per Share

The computations for earnings (loss) per share for the six month periods ended 30 June 2012 and 2011 are as follows:

	For the Six Month Periods Ended 30 June 2012	2011
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 9,491,108	$ 27,192,862
Divided by weighted average shares outstanding for Class A and Class B shares of the controlling interest	49,171,752	50,408,903
Earnings (loss) per share for Class A and Class B shares of the controlling interest	**$ 0.19**	**$ 0.54**

Note 10 – Treasury Stock

The Company continues to maintain a liquidity enhancement policy that is intended to enhance and strengthen the liquidity in the trading of the Company's class A shares. The Company's Liquidity Enhancement Agreement with ABN AMRO Bank N.V. London Branch, which had been in force since 21 July 2008 (and which was subsequently renewed with The Royal Bank of Scotland N.V. ("RBS") on 29 June 2010), expired on 28 June 2011. Under the terms of Share Buy Back Programme (described below), the Liquidity Enhancement Agreement was suspended from 21 October 2010 to 28 June 2011.

On 22 October 2010, we launched a new Share Buy-Back Programme in order to begin implementing the Capital Return Policy. The Share Buy-Back Programme, which commenced in October 2010, is the subject of periodic review by the Board. The Board of Directors has approved an extension of the share buyback program from 31 August 2012 to 30 November 2012; the documentation for such extension is currently in process. Under the terms of the Share Buy-back Programme, Jefferies International Limited ("JIL") has been appointed to effect on-market repurchases of Shares on behalf of NBPE on Euronext Amsterdam and/or the Specialist Fund Market of the London Stock Exchange. Shares bought back under the Share Buy-Back Programme will be cancelled.

The aggregate number of class A shares which may be repurchased pursuant to the Share Buy-back Agreement is limited to 6,776,250 shares (being 12.5 per cent of the total number of class A shares outstanding as of 21 October 2010, the day before the Share Buy-back Programme commenced). The Company may increase such maximum, subject to any limits to the authority granted to the Company by its shareholders to effect share repurchases. The Company currently has shareholder authority to repurchase shares in the market, the aggregate value of which may be up to 14.99 percent of its net asset value on 1 January in the relevant year in which the buyback is made. The maximum price which may be paid for a class A share is an amount equal to the higher of (i) the price of the last independent trade and (ii) the highest current independent bid, in each case, with respect to the class A shares on the relevant exchange (being the Specialist Fund Market of the London Stock Exchange or Euronext Amsterdam by NYSE Euronext).

The following table summarizes the Company's shares at 30 June 2012 and 31 December 2011.

	30 June 2012	31 December 2011
Class A shares outstanding	48,901,817	49,345,169
Class B shares outstanding	10,000	10,000
	48,911,817	49,355,169
Class A shares held in treasury - number of shares	3,150,408	3,150,408
Class A shares held in treasury - cost	$ 9,248,460	$ 9,248,460
Class A shares repurchased and cancelled - number of shares	2,157,775	1,714,423
Class A shares repurchased and cancelled - cost	$ 15,709,280	$ 12,595,743

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See accompanying independent accountants' review report

Note 11 – Financial Highlights

Per share operating performance (based on average shares outstanding during the period)	For the Six Month Period Ended 2012	For the Year Ended 2011
Beginning net asset value	$ 11.03	$ 10.38
Stock repurchased and cancelled	0.04	0.10
Net increase in net assets resulting from operations:		
Net investment income (loss)	(0.09)	(0.20)
Net realized and unrealized gain (loss)	0.28	0.75
Ending net asset value	**$ 11.26**	**$ 11.03**
Average shares outstanding	**49,133,493**	**50,048,997**

Total return (based on change in net asset value per share)	For the Six Month Periods Ended 30 June 2012	30 June 2011
Total return before carried interest	2.09%	5.97%
Carried interest	-	(0.38%)
Total return after carried interest	**2.09%**	**5.59%**

Net investment income (loss) and expense ratios (based on weighted average net assets)	For the Six Month Periods Ended (Annualized) 30 June 2012	30 June 2011
Net investment income (loss)	(1.62%)	(2.64%)
Expense ratios:		
Expenses before interest and carried interest	2.94%	2.99%
Interest expense	-	0.01%
Carried interest	-	0.89%
Total	**2.94%**	**3.89%**

Individual shareholder returns may differ from the ratios presented based on differing entry dates into the Company.

Note 12 – Commitments and Contingencies

In the normal course of business, the Company enters into a variety of undertakings containing a variety of warranties and indemnifications that may expose the Company to some risk of loss. The amount of future loss, arising from such undertakings, while not quantifiable, is not expected to be significant.

Note 13 – Subsequent Events

There have been no subsequent events through 24 August 2012, the date the financial statements were issued, that require recognition or disclosure in the consolidated financial statements.